United Nations E/2008/SR.16

Economic and Social Council

Provisional

11 August 2008

Original: English

Substantive session of 2008
High-level segment

Provisional summary record of the 16th meeting

Held at Headquarters, New York, on Tuesday, 1 July 2008, at 5.45 p.m.

President: Mr. Mérorès ..... (Haiti)

Contents

Development Cooperation Forum (*continued*)

Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent *within one week of the date of this document* to the Chief, Official Records Editing Section, room DC2-750, 2 United Nations Plaza.

08-40638 (E)

The meeting was called to order at 6.05 p.m.

Development Cooperation Forum (*continued*)

1. **Mr. Sundaram** (Assistant Secretary-General for Economic Development) said that the Department of Economic and Social Affairs would continue to provide support for the Development Cooperation Forum. That new mechanism offered an opportunity for stakeholders that might not otherwise be heard to express their views on a variety of aspects of development cooperation, ranging from the political to the technical. Inclusiveness and political legitimacy left the Forum in a good position to improve global dialogue, policy review and mutual accountability.

2. Recalling the six core areas of the Monterrey Consensus, he said that the session of the Forum just ending would provide input for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus (Doha Review Conference), to be held from 29 November to 2 December 2008. Policy recommendations from the Forum should also influence the final shape of the Accra Agenda for Action to be submitted for endorsement at the Third High-Level Forum on Aid Effectiveness, which would take place from 2 to 4 September 2008.

3. The Forum was well placed to encourage progress in a range of aspects of international development cooperation as, despite the current emphasis on improving the quality of aid, it was clear that any improvement in that area must be matched by improvements in other development-related areas. The informal country-led high-level symposiums held in Vienna, Cairo and Rome in the run-up to the first session of the Forum had effectively helped to gauge development cooperation gaps and obstacles. The relationships established among stakeholders during those symposiums and during the first session of the Forum would be nurtured and expanded, and Member States would be encouraged to host similar symposiums to prepare the 2010 session of the Forum.

4. The Secretary-General's analytical report on trends and progress in international development cooperation (E/2008/69) proposed in greater detail how the Forum could offer a new way forward for development cooperation. In particular, the Forum should have a unifying theme for each of its sessions, chosen for its high priority and significance to a broad range of stakeholders. It should also be kept in mind that the continued success of the Forum depended on adequate funding and support. The next session of the Forum should help to promote genuine improvements in the impact, coherence and effectiveness of international development cooperation, particularly in terms of achieving the Millennium Development Goals and other internationally agreed development goals.

5. **The President** said that he wished to conclude the first session of the Forum by acknowledging the contribution of a wide range of stakeholders, including civil society representatives, parliaments, local governments and the private sector. In order to succeed, international development cooperation should be based on mutually supportive policies for matters such as trade, debt, investment, technology, climate change and food security. Policy coherence across the core areas of the Monterrey Consensus should be pursued.

6. In order to maximize progress towards the internationally agreed development goals, including the MDGs, aid commitments and aid allocation should be examined to ensure that development cooperation received adequate financing, as the current situation revealed insufficient balance across countries and sectors. Criteria for the allocation of aid should be made more transparent, encompassing multidimensional indicators of poverty, structural vulnerability to outside shocks and progress towards the development goals in question. Increases in aid should be focused on agriculture and food security, infrastructure, energy and trade. Donors should increase budget support as a preferred channel of assistance, for its positive effects on national ownership, speed of disbursement and use of national systems.

7. The aid-effectiveness agenda in the run-up to the Accra High-Level Forum on Aid Effectiveness and the Doha Review Conference should pursue broader agreement through measurable targets for untying aid, reducing conditionality, maximizing concessions and improving transparency. In that connection, the Accra Agenda for Action should demonstrate the ability to move beyond commitments by producing sustainable results and real change in the behaviour of donors.

8. As programme countries were increasingly developing aid policies which gave them the capacity to coordinate and manage aid, donors should support their efforts by providing assistance to build capacity

in connection with aid analysis, policymaking, negotiation and evaluation of results, aimed at a range of stakeholders including those in civil society, parliaments and local government. Concerns regarding the capacity to absorb aid should be resolved by comprehensive joint assessments of bottlenecks, including donor- and programme-country procedures.

9. Effective frameworks to guide country-level development strategies should be established through an inclusive process involving all relevant national stakeholders. As conditionality remained a key concern for most such stakeholders in developing countries, clear targets should be set for reducing such practices sharply. National development strategies, while fully country-driven, should be linked to the internationally agreed development goals. Those goals could not be achieved without non-State financial assistance from civil society, businesses, foundations and global funds.

10. The impact of South-South and triangular development cooperation could be improved by mechanisms for exchanging information and by improved analysis to ensure that experience could be shared. As South-South and North-South development cooperation were complementary, the sharing of experience could promote more widely agreed practices and objectives.

11. Finally, the Forum had the potential to strengthen the voice of programme countries and other stakeholders, cover a broad range of issues which had an impact on the effectiveness of development cooperation, continue to provide independent, high-quality analysis of development cooperation issues and promote mutual accountability. Accordingly, the most appropriate focus for its session in 2010 would be the development of a more inclusive framework to guide development cooperation.

The meeting rose at 6.20 p.m.

United Nations E/2008/SR.17

Economic and Social Council

Provisional

6 August 2008

Original: English

Substantive session for 2008
High-level segment

Provisional summary record of the 17th meeting
Held at Headquarters, New York, on Wednesday, 2 July 2008, at 9.30 a.m.

President: Mr. Mérorès ..... (Haiti)

Contents

(c) Annual ministerial review: Implementing the internationally agreed goals and commitments in regard to sustainable development (*continued*)

National voluntary presentations

Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent *within one week of the date of this document* to the Chief, Official Records Editing Section, room DC2-750, 2 United Nations Plaza.

08-40870 (E)

The meeting was called to order at 9.40 a.m.

(c) Annual ministerial review: Implementing the internationally agreed goals and commitments in regard to sustainable development (*continued*)

National voluntary presentations (E/2008/75, E/2008/81, E/2008/85, E/2008/89)

1. **The President** said that the 2008 annual ministerial review presented an opportunity to examine specific national policy successes as well as assess challenges that continued to hamper the achievement of the United Nations development agenda. National voluntary presentations could connect Council deliberations with implementation of goals and commitments on the ground. An online database called "Development strategies that work" had recently been launched and was now available on the Council's website. The database brought together the development policies and initiatives presented by countries during the national voluntary presentations, and would be updated annually.

2. He invited Mr. Hales, President of the College of the Atlantic, to act as moderator for the national voluntary presentations.

3. Some of the States which had volunteered to make presentations had asked to include statements by representatives of non-governmental organizations (NGOs). If there was no objection, he would take it that the Council wished to allow those representatives to participate in its work.

4. *It was so decided.*

Belgium (E/2008/81)

5. *At the invitation of the President, Ms. Le Dieu Anh (Member of the People's Committee of Ho Chi Minh City) took a place at the Council table.*

6. **Mr. Michel** (Minister for Development Cooperation, Belgium), making a PowerPoint® presentation, said that Belgium was committed to fulfilling its role within the United Nations system and strongly supported reform of the Council, which included the establishment of the annual ministerial review. Proactive participation was critical to the Council's multilateral work. Belgium particularly supported an integrated approach to development: economic and social development could not be realized independently of environment conservation measures. Likewise, Millennium Development Goal 7, "Ensure environmental sustainability", was relevant only in the context of the other Goals. Implementing such an approach nonetheless required trade-offs.

7. The Millennium Development Goals (MDGs) were an ideal basis for establishing solid development partnerships. Belgium reaffirmed its commitment to contribute 0.7 per cent of its gross domestic product to official development assistance by 2010 and emphasized that partnerships implied mutual responsibilities; thus, developing countries were responsible for incorporating MDGs into national policy.

8. Because Belgium was a federal State, decisions related to sustainable development were made at various levels. Implementation of internationally agreed goals and commitments therefore required elaborate consultation and coordination mechanisms, but such a system also meant that decision-making was more bottom-up than top-down. The consultation and coordination bodies in Belgium worked together to produce four-year federal plans for sustainable development. Belgium was one of the few countries to have defined the legal framework of its development cooperation, with sustainable human development as one of its primary objectives. Legislation of 2005 required the Government to report to parliament annually on its progress on the MDGs.

9. The Belgian Survival Fund, which aimed to ensure food security for the poor in Africa, combined the three components of sustainable development: focus on the human and social dimension of development; sustainable management of natural resources; and small-scale income-generating activities in rural areas. The Fund contributed to development in 21 countries, with total disbursement of $690 million.

10. Direct bilateral cooperation initiatives had been launched in 18 partner countries and covered six priority areas reflecting the urgency of MDG 7. The programme in Ho Chi Minh City was a good example of the challenges and opportunities involved in implementing an integrated approach to development. Belgium also supported international multilateral initiatives.

11. His Government had recently organized an international meeting on climate change and development. Expected follow-up recommendations

included the mainstreaming of climate change issues in Belgian-led international cooperation initiatives, the adaptation of each development project to the specific situation of partner countries, and further capacity-building.

12. Lessons learned from the implementation of MDG 7 included the importance of effective national planning, ownership by the beneficiaries of development initiatives, dialogue between those beneficiaries and the agencies responsible for carrying out such initiatives, and institution-building. It was critical to lead socio-economic and awareness-raising efforts in addition to sector-based initiatives. Finally, it was essential to create conditions that enabled the most vulnerable people to improve their quality of life themselves.

13. **Ms. Le Dieu Anh** (member of the People's Committee of Ho Chi Minh City), making a PowerPoint® presentation, said that a balance between social and economic development and environmental protection was necessary for sustainable development. Viet Nam was undergoing fast urban growth, which in turn had led to major pressure on the environment. Ho Chi Minh City, in particular, was faced with growing socio-economic inequalities, heavy pollution and poor urban management. The City had been chosen by Belgium for a bilateral cooperation project covering the period from 1998 to 2006 and costing $25 million. It had a holistic and participatory approach, with support from the highest city authorities and institutional capacity-building. The main components of the project were waste management, canal embankment and widening, housing for the poor, and promotion of social and economic activities.

14. Solid waste collection had been reorganized, with better equipment, awareness campaigns and more efficient routes, with the resulting household participation at 92 per cent, up from 60 per cent. The reorganization had been duplicated by the city authorities for 25 other sites. Wastewater had been treated effectively using technology that had low operating costs but required a large amount of land. The Tan Hoa-Lo Gom canal had been widened to facilitate the passage of boats and increase water flow, thereby limiting flooding, and a road and waterway had been built along the canal. The area's residents had been given several choices for relocation and offered loans to purchase or renovate housing.

15. In addition, infrastructure, including water and electric networks, and sewerage, had been improved; such measures had been duplicated by the city with loans from the International Development Association. Social and economic activities had been established according to participatory design and social workers had been hired as mediators to support the consultation process with the local community.

16. The project's innovative approach had disseminated new ideas among the local authorities and community and promoted capacity-building during implementation. Negative impacts had been limited, and the majority of solutions had reflected the requests of the local population. Delays had been caused by the complex decision-making process, the lack of a platform for dialogue between the residents, authorities and project leaders, and the fact that local regulations were not adapted to experimentation and pro-poor policy. While the project's participatory approach had been successful on the whole, the community had remained a beneficiary rather than a true actor in the process. Furthermore, there was no tradition of horizontal coordination between hierarchical local government departments. A strong political will would be needed to keep poor people close to the city centre and to jobs, and resettlement solutions must remain affordable for the city but also socially and financially acceptable to the poor. The active involvement of all interested parties, the strengthening of institutions and flexibility had all been key elements in the project's success.

17. **Mr. Le Luong Minh** (Observer for Viet Nam) asked what Belgium's rationale had been in making climate change and the environment top priorities in the Ho Chi Minh City project and other international cooperation initiatives. With regard to the Ho Chi Minh City project itself, he noted that an important factor of the project's success had been the horizontal coordination among agencies on the ground, with the continued financial and technical assistance of international partners. He wondered, however, how climate change mitigation and the population's livelihood would continue to be ensured.

18. **Mr. Michel** (Minister for Development Cooperation, Belgium) said that Belgium focused on environmental sustainability as a priority because the poorest countries were also the most vulnerable to the effects of climate change, despite not being responsible for climate change itself. Only a minute percentage of

development projects were tested for climate sensitivity. Yet, it was of the utmost importance for all projects to take into account climate change and sustainability.

19. **Ms. Le Dieu Anh** (member of the People's Committee of Ho Chi Minh City) said that one of the challenges had in fact been the lack of horizontal coordination because there was no such mechanism in place in Ho Chi Minh City. The City authorities had since recognized that weakness and had called for further coordination between the City and donors. She expressed the hope that the public administration reform project recently agreed between the United Nations Development Programme and the City authorities would help bring about changes in urban management and planning.

20. **Mr. Zainal Abidin** (Malaysia) asked how it was possible to reconcile the increased emphasis on climate change with Belgium's commitment to supporting the national development plans of its programme countries. As it was quite clear that no model existed for carbon-free development, he wondered how Belgium accounted for climate change issues in its cooperation initiatives. Finally, with regard to the food crisis, it had been widely recognized that one cause was the decimation of small rural holdings. How, then, did Belgium reconcile that fact with its continued support of European Union agricultural subsidies?

21. **Ms. Houngbedji** (Benin) welcomed Belgium's commitment to development cooperation, especially as the first member of the Organization for Economic Cooperation and Development (OECD) to make a national voluntary presentation. She wondered how it might be possible to persuade other OECD member States to become further involved in development initiatives. She also wished to know what challenges Belgium had encountered in its development projects in Africa, and the solutions found to deal with such challenges.

22. **Mr. Michel** (Minister for Development Cooperation, Belgium), responding to the questions put by Malaysia, said that the Belgian Government espoused the principles of partnership, co-ownership and mutual responsibility, in which dialogue and respect were key elements. A good example of the implementation of such principles was Belgium's forest management project in the Democratic Republic of the Congo, in which the local authorities had been actively involved from the start; Belgium consistently tried to achieve the same dynamics in all its development initiatives. Belgium continuously appealed to other members of OECD and the European Union to launch concrete development projects, rather than simply content themselves with a declaration of intent. Efforts to build farmers' capacity in the South must increase, especially in light of the current food crisis. The purchase of locally produced food was important in that connection.

23. Turning to the questions put by the representative of Benin, he said that it was crucial to remind other developed countries that, while it was important to improve efficiency of aid, that should not be used as an excuse to allow aid to stagnate. As far as those countries receiving aid were concerned, one of the major challenges was to help countries take ownership of programmes and to develop their own national strategies. It was essential to enable not just Governments, but society and individuals themselves, to take charge of their own destiny.

24. **Mr. Hales**, Moderator, said that he wondered, given the severe limitations for a low-carbon path in developing countries, what the role of donor countries should be in demonstrating and enabling low-carbon strategies for beneficiary countries.

25. **Mr. Michel** (Minister for Development Cooperation, Belgium) said that his Government consistently tried to ensure that its development projects had the lowest carbon impact possible. More generally, it was important to study how economies might be built in order to take account of climate change issues. Donor countries must set an example and innovation and research were fundamental in the process.

Chile (E/2008/75)

26. *At the invitation of the President, Mr. Moreno (Fundación para la Superación de la Pobreza) took a place at the Council table.*

27. **Ms. Quintana** (Minister of National Planning and Cooperation, Chile) said that the Millennium Declaration had obliged signatory countries to focus on achieving specific development goals within a given time frame. Chile's development strategy emphasized coordination between sustainable economic and social policies and the political order. Since the return to democracy in 1990, the successive Governments had

concentrated on improving the quality of life of the entire population in order to build a democratic, open and egalitarian society that ensured the rights of all citizens, based on the importance of economic growth to ensure sustainable social development.

28. As a result, Chile had achieved a financial stability and sustainability that allowed it to take advantage of the opportunities offered by globalization while protecting the national economy from the corresponding vulnerability and maintaining, and even increasing, social investment. Currently, two out of every three dollars of public spending was allocated to social investment.

29. Chile had a long record of developing social policies, especially in health and education. Since 1990, it had reduced the number of those living in poverty by a third, and halved infant mortality and maternal mortality rates, as well as the number of people suffering from malnutrition. Also, more than two thirds of those enrolled in higher education establishments belonged to the first generation in their families to have had access to that level of education.

30. Chile's social policies had changed from welfare programmes to social investment programmes focusing on all the needs of the individual in order to promote personal development and greater equality; regular monitoring of the actions undertaken had allowed pertinent adjustments to be made. Attention was currently being focused on priority groups such as children, the disabled, indigenous peoples, women and the elderly, with policies designed to respond to their specific needs.

31. Chile had introduced a change in its social policies in 2002, when it had created the Chile Solidario social protection system targeting families living in extreme poverty. The intersectoral programme was based on the maxim "to each according to his needs" and included personalized psychosocial support and social services for the poorest families, guaranteed subsidies and preferential access to existing social programmes.

32. Educational policies had strengthened efforts to deal with school dropout rates, teenage pregnancies and children who worked. It was currently obligatory for schools to ensure 12 years of schooling for all students and the State made a special contribution to schools so that they would retain vulnerable students.

33. Health indicators had improved since 1990 following the reinforcement of all levels of health care. At the same time, progress had been made in providing basic services to the whole population, including those living in rural communities.

34. The National Commission on the Environment had been created in 1994 as a coordination body, and an environmental law had subsequently been enacted. Widespread consensus existed that the Commission should focus on an approach that reconciled environmental protection with economic development in a context of social equity and public transparency. In 2008, the Ministry for the Environment had been established, together with a supervisory agency.

35. Chile had introduced widespread reforms and new policies to establish a social protection system with a focus on the rights of the individual. Breaking the poverty cycle entailed starting with children, and the comprehensive child protection system, Chile Crece Contigo, had been introduced seeking to protect children from the moment of conception.

36. Reforms had been introduced to provide a pension to those who had not been eligible previously or to supplement the lowest pensions and to create a voluntary pension fund. The reforms included specific measures to address gender inequalities, by giving women improved access to pensions and increasing the amounts. Incentives in the form of subsidies had also been provided to encourage the employment of young people. In addition, health care had been reformed to expand the social protection of the existing health system.

37. The principal challenges were to ensure a more equitable distribution of income and to reduce gender inequality, particularly in the workplace and in politics. Chile also needed to ensure that indigenous peoples occupied their rightful place in society. In addition, challenges remained in the area of health, education and housing.

38. Since 1993, Chile had implemented a South-South cooperation programme and had played an active role in United Nations peacekeeping missions, particularly in Haiti. It was also involved in the Initiative against Hunger and Poverty, implemented by the Governments of Brazil, Chile and France in 2004 and designed to identify innovative financing mechanisms to help countries achieve the MDGs. Chile itself had already achieved many of the goals and was

well placed to comply with all its commitments within the allotted time.

39. **Mr. Moreno** (Fundación para la Superación de la Pobreza) said that many of the objectives and goals had almost been achieved in 2000, owing to the systematic efforts made since the return to democracy in Chile. Nevertheless, progress towards the original goals needed to be reviewed, because some important challenges remained regarding, for example, the place of women in politics and the prevention of HIV/AIDS. Also, the social nature of environmental policies should be recognized, establishing a closer relationship between environmental goals and social objectives, since it was the poor who suffered most from the negative effects of development.

40. The number of people living in poverty had been greatly reduced in Chile and, in many cases, poverty could be considered a transitory phenomenon, strongly influenced by unemployment. That validated the development of a socio-economic policy designed to generate more and better employment, establishing different strategies for "hard poverty" and for transitory poverty. Education was another sector that presented major challenges related to quality and retention of students at the primary and secondary level. Civil society shared the Government's prioritization of preschool programmes and welcomed the recent implementation of the system for the comprehensive protection of childhood. Housing also played an important role in the generation and persistence of poverty, and one of the main challenges for that sector was to encourage social integration.

41. The report presented by Chile (E/2008/75) underscored the structure of the new social policies based on universal coverage and designed to promote equity and social integration. For example, the health reform guaranteed the right of all citizens to timely and quality health care. That approach should be exported to other sectors, such as housing, employment and income, and include greater consultation with those living in poverty.

42. The reforms had been constructed on the basis of solid cross-cutting financial and social agreements in order to ensure their political, institutional and financial sustainability. The complementarities between the MDGs and rights-based social policies were very clear; the former established the objectives and the latter the way to achieve them.

43. **Mr. Heller** (Observer for Mexico) said that Mexico was facing many of the situations and challenges described in the report presented by Chile and considered it very useful to know how the Government had tackled them. Throughout Latin America, Chile was recognized as one of the countries that had been most successful in implementing its development model and achieving economic growth in a context of sustainable monetary policies.

44. Nevertheless, as Chile had pointed out, inequality, vulnerability of small and medium-sized enterprises to fluctuations in the global economy, improvements in social welfare, health and education remained issues on which special efforts were still required.

45. Chile had made significant efforts to promote high standards of environmental protection, without repealing laws that made investment attractive. Mexico considered that the protection of a country's natural resources was essential for sustainable development and noted the establishment of a Ministry for the Environment in Chile, which showed that the issue had become a central focus of government policies. More and better information on the environment was needed in order to formulate sustainability indicators that allowed the sector's performance and the effectiveness of the relevant policies and programmes to be evaluated.

46. It would be interesting to have further information on the reform of the social welfare system, how its main components were interrelated, and how stakeholders were involved in its planning and implementation. It would also be useful to know about the principal lessons learned in the process, which could help other countries that were changing from a coverage-based to a rights-based system.

47. **Mr. Yáñez-Barnuevo** (Observer for Spain) said that the importance accorded to the development of human capital in the Chilean effort was significant. However, despite the encouraging figures for poverty reduction, as in the case of many middle-income countries, inequality remained a problem, together with the special vulnerability of some sectors of the population, such as women, the elderly, indigenous persons and the disabled.

48. In order for social reforms to prosper, a real social consensus was required, with the participation of civil society, non-governmental organizations and

academia, as had occurred in Chile. Social cohesion was a central element of Chile's partnership with the European Union and the Union's cooperation with Chile should be directed at supporting social and financial policies and public programmes designed to reduce inequality. In that regard, among the various initiatives implemented by Chile, the reform of the social welfare system was important because it included mechanisms targeting the most vulnerable sectors of the population. Horizontal approaches should be included when elaborating social plans and programmes, to ensure that the development goals in the area of empowerment of women, the needs of the indigenous peoples, institution-building and environmental issues were achieved universally.

49. Lastly, Spain considered that there were excellent opportunities for progress in combating inequality in the region using decentralized cooperation and the development of local and regional social policies, together with triangular cooperation and South-South cooperation

50. **Mr. Alvarez** (Uruguay) said that the strategies designed by the Governments of Chile and Uruguay to meet the principal challenges facing their countries were very similar. Preference should be given to policies designed to build a mutually supportive society that, in addition to reducing poverty, dealt with social destabilization factors that gave rise to inequalities such as unemployment, low incomes, and lack of access to health care and educational services. Such strategies were based on the ethical and political need for measures aimed initially at meeting basic needs, particularly those linked to food and health.

51. Although middle-income countries had achieved certain economic growth indicators, the negative factors that prevented them from developing sustained and sustainable growth were not being taken into account. In particular, globalization had increased poverty levels, inequality of income distribution and migration trends. The cooperation policy of the international financial institutions towards such middle-income countries needed to be redefined. Those countries had the potential to provide international cooperation, for instance by South-South cooperation and participation in peacekeeping activities in the hemisphere.

52. **Ms. Quintana** (Minister of National Planning and Cooperation, Chile) said that the Government's policy to establish a comprehensive social welfare system in Chile was the continuation of a long tradition of attention to the sector. Starting in the 1940s, Chile had greatly increased expenditure on health care and education. Then, in the 1970s and 1980s, Chileans had lost not only their political rights, but many of their social rights. Now it was again possible to design policies to reduce extreme poverty and vulnerability and the Government's principal initiatives were therefore directed towards the most vulnerable 40 per cent of the population.

53. Despite the progress made, there were still significant obstacles to overcoming inequality in income distribution. Nevertheless, Chile was convinced that it could reduce such inequalities with a development strategy that combined economic growth, democracy and programmes aimed at social investment. At the same time, the country was introducing policies to promote decent employment for all. A council on work and equity had been established recently to make recommendations on how to improve the situation. In addition, the President had made a commitment to introduce unemployment insurance during 2008 and to improve the lower incomes earned by the most vulnerable Chileans, such as women and young people, by means of subsidies.

54. Regarding South-South cooperation, Chile was contributing to a health initiative to obtain medicines for HIV/AIDS and tuberculosis. It was also involved in a project to overcome extreme poverty in Central America financed by the Inter-American Development Bank. In Africa, it had projects in Sierra Leone, South Africa and Algeria.

55. **Ms. Banks** (New Zealand) said that she wished to complement Chile on the progress it had made regarding gender equality and that she would be interested to know what lessons had been learned in the process of changing the approach to social policies.

56. **Mr. Soomro** (Pakistan) said that he was impressed by the comprehensive progress made by Chile.

57. **Ms. Quintana** (Minister of National Planning and Cooperation, Chile) said that Chile had been able to pursue rights-based social policies because of the improvement in its economic, social and political situation since the return to democracy. Previous social policies had been designed to mitigate extreme poverty; currently the focus was on vulnerability,

identifying priority groups. Attention was also being given to the provision of childcare to enable women to work and raise their children. The social welfare system had been developed in parallel with progress in decentralization and the transfer of decision-making to the local level, to ensure that social policies were adapted to the different regions.

58. **Mr. Hales**, Moderator, said that the report of Chile (E/2008/75) contained an articulate description of an expanded definition of economic security.

The meeting was suspended at 11.35 and resumed at 11.50.

United Kingdom (E/2008/85)

59. *At the invitation of the President, Ms. Arce Moreira (British Overseas NGOs for Development, Development and Environment Group) and Ms. Green (Progressio) took places at the Council table.*

60. **Mr. Steer** (Director-General, Department for International Development, United Kingdom) said that his Government welcomed the Council's use of voluntary presentations; in an interdependent world, it was more important than ever for States to hold each other accountable and to share lessons learned.

61. More people had been lifted out of poverty in the 16 years since the United Nations Conference on Environment and Development than in any similar period of history. However, the world faced perilous challenges that could set the international community's efforts back by a decade; in particular, the threatened impact of climate change was far greater than had been realized.

62. Sustainable development began at home. While the United Kingdom was rightly proud of its key role in promoting achievement of the MDGs, it had a very large environmental footprint. Its per capita carbon emissions were nearly 100 times those of some low-income countries and twice those of many middle-income countries; it was a major consumer of luxury items, wood, water and newsprint and generated about 335 million tons of waste per year; and its environmental achievements of the past would stand for nothing unless tough decisions were taken in order to address those issues. In the coming months, Parliament was expected to enact legislation mandating a 60 per cent reduction in carbon emissions by 2050, making the United Kingdom the first State to do so, and the Government recognized that an 80 per cent reduction might be necessary.

63. Sustainable development required integrated solutions; United Kingdom policies on issues such as trade, migration and climate change might have a far greater impact on developing countries than its official development assistance (ODA) flows. Under the International Development Act, adopted in 2002, the Department for International Development was responsible for injecting development concerns into all government policies. The Act explicitly required the Department to focus only on the sustainable reduction of global poverty, not on the State's commercial or political interests. The Department managed trade policy jointly with the Business Enterprise Department, and the Secretary of State for Development chaired the Cabinet committee on trade with the goal of ensuring that trade negotiations had maximum benefit for the poor. The coming weeks were crucial to the success of the Doha Round and the United Kingdom was doing its utmost to achieve that goal.

64. There could be no sustainability without development; economic growth accounted for 80 per cent of all poverty reduction over the past 25 years, and any agreement that restricted developing countries' growth should be rejected. While economic growth could place additional strain on the environment, it could also enable solutions since rich people and societies were better equipped to deal with shocks than poor ones. Thus, development was the most effective way of building resilience to climate change. In 2008, his Government was establishing an International Growth Centre — a global network of specialists who would be available to help countries understand and address the constraints on growth and job creation — at a cost of US$ 80 million.

65. Much remained to be learned about the links between growth and the natural environment. The Department for International Development and the World Bank had supported an economic assessment of the contribution of natural resources to Ghana's growth, which had led to a long-standing involvement with the Ministry of Finance on the costs of environmental degradation. The United Kingdom also supported a major research programme on ecosystem services for poverty alleviation, which would help developing countries develop tools to assess the value of their ecosystems.

66. Giving information and rights to citizens and consumers could change the world; the United Kingdom was investing heavily in making information transparent and developing voluntary codes of conduct. Its Extractive Industries Transparency Initiative, initiated eight years previously, supported verification and publication of company payments and government revenues from oil, gas and mining in over 20 countries in order to give the people of natural-resource-rich economies a greater share of that wealth. He hoped that the General Assembly, with leadership from the Government of Azerbaijan, would recognize the importance of that work. His Government also supported initiatives such as the Fairtrade Foundation and stewardship councils. Recently, voluntary partnerships such as the Forest Law Enforcement, Governance and Trade Initiative were beginning to bear fruit; negotiations between the European Union and the Governments of Cameroon, Ghana, Indonesia and Malaysia were scheduled for completion by the end of 2008.

67. Unless climate change was addressed effectively, other efforts would be wasted; it was imperative to develop a successor agreement to the Kyoto Protocol by the end of 2009. The Department for International Development had reorganized and shifted its resources in order to inject a development perspective into the United Kingdom and European Union negotiating positions and to help developing countries design their own strategies. His Government was also investing US$ 200 million in research and capacity-building for developing countries in the areas of impact of climate change, costs of adaptation and mitigation and options for low carbon development; one such initiative was a US$ 50 million programme of support for African researchers working across national borders on adaptation issues.

68. The United Kingdom was also working towards a pro-development post-2012 agreement, which would need to involve an ambitious goal with credible near-term targets, fair and equitable sharing of greenhouse gas emissions with deeper absolute reductions by developed countries and measurable action by developing countries, a reformed carbon market in order to increase the impact of carbon finance for poor countries, support for technology development and transfer to benefit developing countries and support for developing countries' efforts to build resilience and adapt to climate change.

69. It was time to take water and sanitation seriously; the international community was barely on track to meet the water-related aspects of the MDGs and was off track in Africa, where 320 million people still had no access to an improved source of water. The cost of poor sanitation was enormous; 5,000 children died needlessly every day because of preventable diarrhoea, and economic losses attributable to lack of access to safe water and sanitation were estimated at US$ 14 billion per year (5 per cent of gross domestic product (GDP)) for Africa alone. The solution lay not only in engineering, but in behavioural and institutional change. The results in Bangladesh and Africa had been encouraging; the United Kingdom was working with partners such as the United Nations Children's Fund (UNICEF) and Water Aid and planned to increase its spending on water in Africa to US$ 400 million per year. However, more coherence in the provision of support was needed. His Government strongly supported what it called the "five ones": one global annual report, one global annual meeting to monitor progress and agree on sanctions, one national water and sanitation plan, one water and sanitation coordinating group at national level and one lead United Nations agency on water and sanitation in each country.

70. The international community had "dropped the ball" on agriculture and must pick it up again. Too little attention had been paid to the links between productive agriculture and the natural environment; three out of four people living on less than one dollar per day were rural dwellers. In a video message to the special meeting of the Council on the global food crisis, held in New York on 20 May 2008, the Prime Minister of the United Kingdom had called for a doubling of efforts to tackle hunger and agricultural development. At the Food and Agriculture Organization of the United Nations (FAO) High-Level Conference on World Food Security: the Challenges of Climate Change and Bioenergy, held in Rome from 3 to 5 June 2008, his Government had proposed the creation of an international partnership for agriculture and food in order to double agricultural production in Africa, agricultural growth rates in Asia and funding for agricultural research. The United Kingdom was doubling its own support for agricultural research to US$ 800 million over the next five years. It worked closely with the Consultative Group on International Agricultural Research (CGIAR) and recommended that

its budget should also be doubled — to US$ 1 billion per year — and its structures reformed.

71. Without strong leadership, the international community's efforts would fail. One of the major conclusions of the Growth Report, recently issued by the Commission on Growth and Development was that, even more than had been understood, leadership was key to development. The commitments made at the 2002 International Conference on Financing for Development in Monterrey and the 2005 Group of Eight summit in Gleneagles must be honoured. His Government was fully committed to honouring its pledge to allocate 0.7 per cent of GDP to ODA by 2013, two years ahead of the European Union's target date. At the Third High Level Forum on Aid Effectiveness, to be held in Accra from 2 to 4 September 2008, it would commit to aligning its entire development effort to government plans in its partner countries and had signed 10-year partnership agreements, which provided long-term predictable financing, with countries such as Pakistan, Uganda, Yemen and Zambia.

72. **Mr. Matenje** (Malawi) said that he had noted with interest the United Kingdom's commitment to deliver on the promise, made in Gleneagles in 2005, to increase ODA to developing countries and help them achieve the MDGs. The United Kingdom's report, entitled "Implementing the internationally agreed goals and commitments in regard to sustainable development" (E/2008/85), emphasized sustained economic growth as the single most powerful means of lifting people out of poverty; that approach was in line with Malawi's Growth and Development Strategy for poverty reduction. The report also stressed the importance of transforming natural resources into economic growth and the links between that process and trade; his own country depended on trade in its agricultural products, in the form of both raw materials and finished products, to generate foreign exchange. However, such trade was hampered by inequalities between the developed and developing countries, and particularly by agricultural subsidies that prevented agricultural products from the developing countries from competing on the world market. It was clear from the report that the United Kingdom supported reform of the current international trade policy in order to support environmentally sustainable development; he wondered whether its Government was willing to work towards the removal of those subsidies and how it intended to balance economic growth and increased trade against environmental sustainability.

73. **Mr. Sorcar** (Observer for Bangladesh) recalled that his own country had made a national presentation at the 2007 annual ministerial review and expressed the hope that the practice of having both developed and developing countries make such presentations would be continued in the future. The United Kingdom representative's comments on the development issues raised by climate change were particularly relevant.

74. He appreciated the long-standing commitment of the United Kingdom Government to sustainable development at home and abroad; its progress in that regard showed demonstrable global leadership. He would like to know how the integrity of the three pillars of sustainable development — economic growth, social development and protection of the environment — was maintained in that Government's development assistance programme.

75. He hoped that other States would emulate the United Kingdom in its commitment to reaching the target of 0.7 per cent of GDP for ODA by 2013, two years ahead of the MDG targets, and wondered whether it had set any target for allocating between 0.15 and 0.20 per cent of gross national product (GNP) in ODA to the least developed countries as agreed in the Monterrey Consensus, the World Summit Outcome Document and the Brussels Programme of Action. It would be helpful if the representative of the United Kingdom could suggest ways of ensuring long-term predictability of aid and discuss the possibility of additional, new and innovative sources of development funding, especially for matters related to climate change. As a low-lying coastal State, Bangladesh was highly vulnerable to that problem. The United Kingdom was one of its largest development partners and he hoped that that partnership would intensify in the future.

76. **Mr. Cuco** (Mozambique) said that economic and social development and environmental sustainability were at the top of the international community's agenda and should be treated holistically. The United Kingdom was one of Mozambique's largest development partners, providing direct budget support; that approach allowed it to help recipient governments manage their budgets in the best way without specifying how the funding should be allocated.

77. He agreed that the international community had "dropped the ball" on agriculture; in recent years, most developing countries had focused on other important aspects of development. Despite its constraints, Mozambique's economic performance for the previous year had been relatively good, but its investment in agriculture had been negligible and the current food crisis showed that more attention should have been paid to that sector. His Government was working to meet the needs of its people. He hoped that other governments would follow the United Kingdom example by meeting their commitments, including those made at the High-Level Conference held in Rome in June 2008, and wondered whether the United Kingdom had any other measures to propose in order to help the most vulnerable States, particularly those which were not oil producers, to cope with the global food crisis. Lastly, he stressed that assistance plans should be implemented according to the specific needs of each of the least developed countries.

78. **Mr. Steer** (Director-General, Department for International Development, United Kingdom), replying to the representative of Malawi, said that his Government was willing to help reform agricultural subsidies and to monitor their impact. At the twelfth meeting of the Council, in his keynote address on the theme "Achieving sustainable development", Lord Stern of Brentford had suggested ways of balancing growth with environmental sustainability; his own Department worked closely with the Stern Review team. By allocating 1 per cent of their national income to the reduction of greenhouse gas emissions, countries could save 5 to 10 per cent of that income over the next 30 to 40 years. New technical developments would doubtless open possibilities for environmental sustainability in the future. Further study was needed in order to ensure that low-income States did not suffer from the effort to lower their carbon emission levels.

79. In response to the representative of Bangladesh, he explained that his Government was already allocating 0.16 per cent of national income to ODA and hoped to further increase that percentage in the future; its policy was to devote 90 per cent of its bilateral assistance to low-income countries. By contrast, ODA from countries members of the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) averaged only 0.08 per cent of national income.

80. The United Kingdom strongly supported the climate change Adaptation Fund, financed with a 2 per cent tax on transactions under the Kyoto Clean Development Mechanism. In the long term, however, additional funding sources would be needed and carbon auctions offered one possibility. His Government tried to maintain the integrity of the three pillars of sustainable development by using multisectoral teams that included not only economists, but also specialists in cultural and other aspects of development.

81. Direct budget support worked well in countries which, like Mozambique, had a clear plan in place. Even if it was thus impossible to fully identify the uses made of the funding, but his Government believed, in the spirit of the Paris Declaration on Aid Effectiveness, that it was better to strengthen national mechanisms rather than establishing a parallel system that undermined them. Similarly, agricultural programmes should be country-led; governments must first decide what they wanted to do and then request assistance as needed. An international accountability mechanism should be put in place to identify States in need and ensure that funding was provided.

82. Lastly, he recalled that 20 years previously, donors had allocated 17 per cent of ODA to agricultural projects; at present, only 2 to 3 per cent was allocated to that sector. Africa, in particular, needed to greatly increase its focus on agriculture.

83. **Ms. Arce Moreira** (British Overseas NGOs for Development, Development and Environment Group) said that, in the United Kingdom, NGO networks had a constructive relationship with the Government and monitored its initiatives and processes in order to ensure that they took the needs of poor people and the environment into account.

84. The poor, who often depended directly on natural resources and ecosystems for their basic needs and livelihoods, were directly affected by the environmental degradation caused by climate change. According to the Millennium Ecosystem Assessment, 15 of the 24 essential services were being used unsustainably. Fundamental concerns such as biodiversity loss, natural resource degradation and desertification were being addressed only in the context of climate change, and there was a risk that less attention would be paid to the relevant environmental agreements.

85. Unquestioning faith in the macroeconomic growth paradigm as a solution to poverty was incompatible with recognition of unsustainable consumption and the realization that there was an environmental limit to growth. Emphasizing economic growth without addressing the serious issues of social and environmental justice would not have a substantial impact on poverty eradication or environmental sustainability. She hoped that the United Kingdom would work with NGOs in seeking new solutions to the increasing inequalities in Latin America.

86. The urgency of addressing climate change should not prevent the international community from internalizing the lessons learned from decades of development practice. Inclusiveness, gender responsiveness, accountability, appropriateness of solutions and time were too often ignored in favour of technological "quick fixes", often without proper assessment of their social and environmental impact on the poor; a recent example was the biofuel targets established by developed countries. Proposed solutions should be socially and environmentally accountable, not simply good business opportunities.

87. New sources of financing were needed, but those flows must contribute to social equality and environmental sustainability through transformed global environmental governance. Powerful actors such as the World Bank should transform radically in response to the challenges of poverty and the environment and should give developing countries a voice in new initiatives at an early stage. The United Kingdom Environmental Transformation Fund provided a good opportunity to develop broader international alliances at the level of civil society in order to monitor the impact of such climate investment funds on poverty and the environment.

88. **Ms. Green** (Progressio) said that 2005 had been a pivotal year for development; the United Kingdom Government and civil society had placed poverty at the centre of the political agenda. Three years later, however, the urgency of climate change and the global food crisis had weakened many of the international agreements. As the previous speaker had noted, that crisis was a symptom of deeper problems arising from an economic development model that pushed intensive, export-led agriculture on countries of the South in order to satisfy the North's demands at the expense of food security and environmental sustainability for the poorest communities. It was becoming increasingly important to manage natural resources, particularly water and biodiversity, sustainably.

89. She realized that the economy of her own country, the United Kingdom, was part of the problem and looked to her Government to take the lead in challenging unjust structures, learning from its failures and facing up to its responsibilities. It was time for a new vision of development, including a people-centred food system that allowed the needs of small-scale farmers and consumers to be met. Northern consumers must realize the impact of their choices on poor communities and make the necessary changes, while governments must move beyond short-term technological solutions to address the root causes of the crisis and restructure global systems and institutions to give poor people a system capable of withstanding economic and environmental shocks.

90. **Mr. Hales**, Moderator, asked the panellists to discuss the issue of mutual accountability among donors and to explain whether they thought donors should encourage each other to meet and increase their commitments.

91. **Mr. Steer** (Director-General, Department for International Development, United Kingdom) said that during the coming year, the wealthy States needed to agree on policies that would benefit all countries. He did not think that donor-on-donor pressure was a very interesting approach, although the OECD Development Assistance Committee programme reviews were helpful. It was most important to ensure the overall coherence of attempts to address the situation. The Center for Global Development and other NGOs assessed developed countries' impact on the developing world.

92. Serious commitments should be made soon in preparation for the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held in Copenhagen in 2009.

93. **Mr. Zainal Abidin** (Malaysia) asked whether the United Kingdom was on track to meet its commitments for the period 2008 to 2012 and, if not, what obstacles it had identified and what it was doing to overcome them. In addressing the crises of food, fuel and climate change, direct government intervention was required in the areas of technology and infrastructure. In that regard, a market-oriented approach would be insufficient.

94. **Mr. Ashe** (Observer for Antigua and Barbuda), speaking on behalf of the Group of 77 and China, said that many of the points raised in the presentation echoed the concerns of developing countries; the question was how to move forward. In speaking of the Doha Round, the representative of the United Kingdom had seemed to be referring to the discussions on international trade. However, the Group of 77 and China was also very interested in preparations for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Doha from 29 November to 2 December 2008.

95. The current crises made it necessary to expand ODA far beyond the normally recognized development targets, particularly in the case of the least developed countries. The international financial institutions, which had a great impact on the policies of developing countries, should be involved in that process. He wondered what could be done to modify the international financial infrastructure within a reasonable time period, with a view to greater coherence in meeting the MDGs and the other challenges faced by the developing world.

96. **Mr. Gebreel** (Observer for the Libyan Arab Jamahiriya) said that the discussion had not given enough attention to the deep-rooted structural reasons for the serious problems facing the international community. Stressing the importance of training and know-how in building vibrant economies, he said that the acquisition of knowledge had helped some developing countries to improve their economies and increase competitiveness. Multinational companies had increasingly resorted to the use of high technology, and policies had been modernized since the turn of the century. The current global economic problems would not have come as a surprise had the international community been more attentive to the warning signs and anticipated events. There must be ample preparation for future challenges posed by the expansion of the world population. A better understanding of the problems and their solutions was therefore crucial. The entire international community must mobilize know-how and technology to face those challenges.

97. **Mr. Steer** (Director-General, Department for International Development, United Kingdom) said that the United Kingdom had met its 2008-2012 targets with respect to carbon emissions and would do its utmost to stay on track. Furthermore, the Government would continue investing in the Consultative Group on International Agricultural Research, which provided open access to seeds and technologies that were not owned by large corporations. He also said that Governments could play a role in promoting technology, citing the example of antiretroviral drug prices that had fallen to below $100 from $600 only five years earlier. Such progress was possible only because innovation and other interesting ideas such as advance market commitments had been encouraged.

98. With regard to the Doha Round, his comments had pertained largely to the first meeting; however, the opportunity for follow-up on the Monterrey process to be provided by the 2008 Review Conference would be equally important. While noting the important issues raised concerning the structural causes of economic problems and the reaction to the effects of globalization, he cautioned that the real facts should not be ignored and that both sides of the discussion should be considered. In that vein, he said that Africa had experienced an unprecedented average growth rate of 6.5 per cent, due largely to good leadership and sound policies, along with recognition of the importance of trade.

99. **Ms. Green** (Progressio) said that the proportion of benefits accruing to the poorest sectors of societies had actually shrunk, and increasing resources were needed to lift them out of destitution.

100. **Ms. Arce Moreira** (British Overseas NGOs for Development, Development and Environment Group) said that the discussion on poverty and growth could often be reduced to the redistribution of benefits, and that growth itself was not necessarily the issue.

United Republic of Tanzania (E/2008/89)

101. **Mr. Msola** (Observer for the United Republic of Tanzania) said that, when his country gained its independence 47 years earlier, the Government had identified illiteracy, poverty and disease as three areas of priority. The implementation of programmes within the context of the MDGs was therefore a natural continuation of the quest for full social and economic development. The Goals had been pursued within the framework of two long-term Visions for Tanzania and Zanzibar, both of which sought to improve quality of life, instil peace, security and unity, good governance

and the rule of law, and create a learned society and a strong and competitive economy.

102. After working on macroeconomic stabilization, the United Republic of Tanzania had begun to address poverty as a major policy concern in 1996, through a number of initiatives, but mainly by drafting a Poverty Reduction Strategy Paper and a plan to gain access to debt relief under the Heavily Indebted Poor Countries Debt Initiative (HIPC). The National Strategy for Growth and Reduction of Poverty had incorporated the internationally agreed development goals, including the MDGs, into domestic development policy and strategy. The National Development Strategy had been implemented on a sector-wide basis, through central and local government entities, and had included annual public expenditure review, budget support and decentralization by devolution policy. Progress in the implementation of the national strategy had been helped by the participation of stakeholders in policymaking and the poverty reduction strategy had been used as a guiding framework for the allocation of resources for development.

103. Detailing the key strategic successes relating to each Millennium Development Goal, he also described the challenges encountered, some of which had not been overcome. He took the opportunity to underscore his country's achievement of an average growth rate of 7 per cent, due to a robust programme of economic, governance and institutional reform. In general, although progress in building national capacity had been encouraging, greater effort was needed to address sectoral funding, income and regional disparities, labour market deficiencies, gender equality, maternal health care, and the threat of HIV/AIDS to the economy and health system. A participatory approach had been essential to the drafting of sensitive policies and strategies. Moreover, economic growth was a necessary, albeit not always sufficient, condition for poverty reduction in the medium term. The role of governance and accountability, as underlying conditions for growth and poverty reduction, had emerged as one of the lessons learned from implementation of the national strategies. It had also been instructive to grasp the importance of independently monitored mutual accountability, and his Government had become aware of the need for early consideration of an exit strategy from high levels of dependence.

104. In conclusion, he expressed confidence that his country would meet the MDGs for universal primary education, gender equality in education, child mortality, aid relationships, and water and sanitation. However, it was not likely to achieve its targets concerning extreme poverty and hunger, maternal mortality, environmental sustainability and decent and productive work. In future, it planned to adopt fiscal measures and resource costing to address its shortcomings. In strengthening development cooperation to enhance aid effectiveness, it would continue to implement the Joint Assistance Strategy for Tanzania to ensure adequate national capacity for effective external resource management and aid coordination. Continuity in the implementation of the new dialogue structure, enhanced aid predictability and promotion of the use of government systems would also be ensured.

105. **Mr. Staur** (Observer for Denmark) commended the United Republic of Tanzania for its sound poverty reduction policies and broad-based and growth-oriented poverty reduction strategy paper. Despite massive amounts of donor assistance and domestic revenue collection, there were still insufficient financial resources to fully implement the country's reform programmes. As a long-standing development partner of the United Republic of Tanzania, the Government of Denmark agreed that tax and non-tax revenue should be increased, but believed that tax reforms should be based on dialogue with all stakeholders, including the private sector.

106. With reference to the MDGs, he pointed out, that the high growth rate in the United Republic of Tanzania had favoured urban areas and had widened the gap between socio-economic groups. Results for the second Goal had been positive, with a remarkable increase in enrolment and gender parity in schools. The challenge was to provide marginalized children with opportunities for primary education and to raise the overall quality of education and teacher training. In general, gender equality and the empowerment of women had vastly improved, but traditions continued to diminish the role of women in business and their access and rights to credit and land ownership.

107. With regard to the health-related Goals, child mortality remained high, and local governments lacked staffing and resources to service the health sector. He therefore wondered what could be done to address that situation. Maternal health had not improved in 10

years: few births were attended by skilled personnel, and many births still occurred outside health facilities because of the combination of traditional medical systems, the low level of education in rural areas and the lack of sufficient health facilities. Concerted action in all areas was the only solution to that major challenge. He noted that, although the prevalence of HIV/AIDS was relatively low in the United Republic of Tanzania, a very large proportion of ODA targeted HIV/AIDS treatment or prevention. He was curious to know what kind of problems were anticipated in terms of resource allocation of aid in general, and for the health sector in particular. He also asked to what extent the systems in the health sector suffered from vertical intervention on HIV/AIDS.

108. He noted the country's heavy reliance on solid fuels, particularly charcoal, and the fact that scarce funding and ineffective management by the State-owned power company had undermined efforts to increase the coverage of the national grid. He therefore asked what plans had been established to create a more comprehensive national grid.

109. Approximately 40 per cent of all donor support to the United Republic of Tanzania was provided through general budget support; the Government enjoyed strong donor support for its reform process. Although the Government was committed to reducing its dependence on aid over the medium and long term, increased donor funding was nevertheless necessary to boost the initial takeoff in economic and social development. However, the country also needed stronger growth in private sector investment in order to benefit from the global increases in food prices and the opportunity to strengthen export earnings from the food sector. Another challenge was posed by the need to increase food production, which would also tax donor resources and require increased allocation of aid to agriculture, to a certain degree at the expense of the social sectors.

110. Overall, the United Republic of Tanzania had charted a good course. More attention should be given to the need to attract private sector investment in order to boost growth even further. In that context, a recent World Bank report showed that countries which had been able to sustain annual economic growth of at least 7 per cent for more than two decades had maintained a high level of domestic savings and had relied heavily on public investment. The same report had also stressed the importance of governance, leadership and maintenance of inclusive growth through the development and implementation of appropriate policies. He counted on the United Republic of Tanzania to derive further benefit from that insight, to keep on its present course, and thereby make meaningful advances towards achieving the MDGs.

111. **Mr. Rosengren** (Observer for Finland) said that the key areas of cooperation between the United Republic of Tanzania and Finland were forestry, regional policy, local government and good governance. The country's report (E/2008/89) gave a realistic and balanced overview of the situation. In view of the high average annual growth rate and stable political climate, the Government should be encouraged to set development goals even higher. In broadening economic growth to reach the poor and bridge regional differences, greater emphasis would have to be placed on developing agriculture and the private sector.

112. The United Republic of Tanzania had been a leader in managing aid relationships, but needed to strengthen the role of ownership as the cornerstone of the development of relationships with donors. Despite all the success in managing aid relationships, there was still need for improvement, with renewed impetus for cooperation.

113. Turning to the role of good governance in the achievement of the MDGs, he said that there had been recent positive developments in domestic accountability and its mechanisms. The role of the media and civil society, as well as transparency, had increased, and the debate on governance and accountability issues in the United Republic of Tanzania had been lively. The time was ripe for the country to make even greater strides in the area of good governance and he was confident that the Government would seize that opportunity.

114. **Mr. Talbot** (Guyana) said the presentation was well balanced. When he had visited the United Republic of Tanzania to observe its efforts in implementing the development strategy, he had been struck by the Government's sense of leadership and the country's relationship with the donor community through the Joint Assistance Strategy for Tanzania and other mechanisms. He asked the observer for the United Republic of Tanzania to comment on his country's experiences and lessons learned in the evolution of that relationship.

115. **Mr. Msola** (Observer for the United Republic of Tanzania) expressed his appreciation for the comments made by the speakers and for their understanding.

116. Having recognized the need to increase domestic revenue and undertake the necessary reform, his Government had embarked on initiatives in that regard. It had not abandoned its attempts to improve enrolment in primary education among the most marginalized groups, which included the nomadic population, in an effort to include all elements of Tanzanian society.

117. In tackling the remaining challenges, he mentioned some of the points raised, highlighting the importance of credit facilities for women, especially those working in rural areas as agricultural producers. Much attention would be given to improving infrastructure and access to health care, and on raising the level of education in order to address the critical issues of child and maternal mortality. In addition, the Government had acknowledged the need for further research into alternative sources of energy. A new approach to agriculture had been adopted and a national social protection framework was being developed to address vulnerable groups.

The meeting rose at 1.45 p.m.

United Nations E/2008/SR.18

Economic and Social Council

Provisional
18 August 2008

Original: English

Substantive session of 2008
High-level segment

Provisional summary record of the 18th meeting
Held at Headquarters, New York, on Wednesday, 2 July 2008, at 3 p.m.

President:	Mr. Dapkiunas (Vice-President)	(Belarus)
later:	Mr. Mérorès (President)	(Haiti)
later:	Mr. Monteiro Lima (Vice-President)	(Cape Verde)

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(c) Annual ministerial review: Implementing the internationally agreed goals and commitments in regard to sustainable development (*continued*)

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In the absence of Mr. Mérorès (Haiti), Mr. Dapkiunas (Belarus), Vice-President, took the Chair.

The meeting was called to order at 3.05 p.m.

High-level segment:

(b) Development Cooperation Forum (*continued*)

(c) Annual ministerial review: Implementing the internationally agreed goals and commitments in regard to sustainable development (*continued*)

(d) Thematic discussion: Promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development, taking into account current challenges (*continued*)

General debate for the high-level session (*continued*) (E/2008/10, E/2008/11, E/2008/15, E/2008/33, E/2008/50, E/2008/56, E/2008/57, E/2008/68, E/2008/69, E/2008/70, E/2008/75, E/2008/78, E/2008/79, E/2008/81, E/2008/85, E/2008/86 and E/2008/88; E/2008/NGO/1, E/2008/NGO/2, E/2008/NGO/3, E/2008/NGO/4, E/2008/NGO/5, E/2008/NGO/6, E/2008/NGO/7, E/2008/NGO/9, E/2008/NGO/10, E/2008/NGO/11, E/2008/NGO/12, E/2008/NGO/13, E/2008/NGO/14, E/2008/NGO/15, E/2008/NGO/16, E/2008/NGO/17, E/2008/NGO/18 and E/2008/NGO/19; E/2008/CRP.2 and E/2008/CRP.3)

1. **Mr. Rivas Palacios** (Paraguay) said that his country's economy was closely linked to the agricultural sector. The Government had drawn up an agrarian and rural development plan to coordinate the action of the public, private and international sectors, and to apply government policies based on the principles of equity, sustainability and effectiveness. It gave priority to thoroughgoing institutional reform to enable Paraguay to enter regional and global markets with competitive products on fair and satisfactory terms for the rural producer. Rural development was, accordingly, making significant headway, as was the integration and strengthening of the economy and consequently the well-being of Paraguayan peasants. The rural sector produced over 90 per cent of the country's exports, making Paraguay a net exporter of food to the world. Paraguay urged the developed countries, in the interests of equal competition and economic freedom, to eliminate agricultural subsidies and trade barriers: the greater the volume of agricultural exports, the greater the employment and the lesser the migration to urban areas and abroad. The ultimate result would be the reduction of poverty in rural areas.

2. Rising oil prices, however, compromised the ability of countries with more vulnerable economies to continue improving their population's quality of life. The cost of oil was one of the main reasons for the rise in food prices, although climate change and financial speculation had also had a decisive impact. Landlocked developing countries like Paraguay generally had to pay 20 per cent more for the transport of imported oil, which itself was constantly increasing in cost and in turn affecting the production costs for imports and exports. Recent studies had shown the link between oil and food prices: between 2000 and 2008, for instance, oil had quintupled in price while the cost of milk had more than tripled, and that same ratio applied generally to the cost of living.

3. As a net importer of oil, Paraguay must find alternative sources of energy to reduce agricultural production and transport costs. Its Congress had passed legislation promoting biofuels, as renewable sources with a low environmental impact. The main such source in Paraguay was sugarcane, which could be diverted without affecting food security.

4. **Ms. Kieber-Beck** (Liechtenstein) said that progress on the social and economic dimensions of sustainable development had been slow and uneven. Implementation of the global commitments to sustainable development required national ownership and leadership as well as responsible domestic institutions, an inclusive dialogue that involved also civil society, local authorities, the private sector, and discussions of the issues by the media. Cooperation between States and within international organizations was also indispensable, especially when dealing with global crises.

5. Reflecting international developments in the field, Liechtenstein's law on international humanitarian cooperation and development covered social development and poverty reduction, the preservation of the environment for future generations and a responsible, sustainable approach to natural resources. Microfinance was one important tool that had proved particularly successful in a multitude of development activities. Liechtenstein had set up a microfinance

partnership supported by the Government with the private sector as the main driving force.

6. Liechtenstein was currently a party to 28 conventions and protocols in the area of environmental protection, chief among them the Kyoto Protocol, and it looked forward to the early establishment of more far-reaching greenhouse gas reduction targets after 2012, with the conclusion of a new agreement at the United Nations Climate Change Conference in Copenhagen in 2009. Her own Government had a wide-ranging strategy on climate change. At the regional level, it was actively involved in cross-border activities, with a strong emphasis on the environmental aspect of sustainable development. As an Alpine country, Liechtenstein had a particular commitment to the sustainable development of the Alps, which like all mountains have an important source of key natural resources and recreation; it was sponsoring specific development projects in mountain villages in central Asia and the Caucasus. It was also dedicated to sustaining and developing the Lake Constance region in a holistic way and, as chair of the International Conference on Lake Constance, it had led the discussions on modifying the Lake Constance Agenda 21, based on the Rio Agenda 21 of 1992, and had helped draw up a report on the regional consequences of climate change.

7. **Mr. Mottaki** (Observer for the Islamic Republic of Iran) said that the unfolding crisis endangered the achievement of the Millennium Development Goals (MDGs), while rapid population growth threatened social and political stability in many countries. It was vital that collective action be taken in order to effectively implement the major global agreements on sustainable development.

8. It was also important, however, to examine the root of the problem. Since the end of the cold war, the hegemonic policies of certain great Powers had led to an unjust, undemocratic and unequal system of global governance. Over the previous four years, the flawed economic policies of such Powers had contributed to the worldwide increase in nominal oil and food prices. The international financial system was skewed towards the wealthiest countries, which were draining the financial resources of the poorest. The rise in energy prices was not supply-related: it had been caused by factors such as fluctuating commercial stock levels and the depreciation of the dollar. Moreover, some developed countries had raised the tax on crude oil by up to 55 per cent in 2007, thereby gaining more from the sale of each litre than the oil-producing countries.

9. He called upon developed countries to fulfil their commitment to reduce greenhouse gases and increase support for developing countries. South-South partnerships were also essential. A recent example was the meeting of the Ministers of Economic Affairs of States Members of the Organization of Petroleum Exporting Countries (OPEC) Fund held in Isfahan, Iran.

10. The world was witnessing the demise of an economic order implicitly based on the global governance of certain great Powers. By working to create a new system conducive to sustainable development, the Council would enhance the credibility and prestige of the international organizations. To that end, the Council should seek to identify the political, technical and financial obstacles facing developing countries and to integrate sustainable development policies. The forthcoming international meetings would likewise provide an opportunity for developed countries to adopt more sustainable consumption patterns based on the principle of common but differentiated responsibilities.

11. **Mr. Elwarfally** (Observer for the Libyan Arab Jamahiriya) said the current crisis was a result of the flawed international food security policies of the previous two decades, which had ignored the risks posed by population growth, climate change, declining agriculture, speculation and the rapid shift to a knowledge-based economy, described by Alvin Toffler as "super-symbolic".

12. Those challenges could be addressed by promoting agriculture. Developed countries should eliminate subsidies to their own farmers, thereby allowing agriculture in developing countries to flourish. The principle of regional complementarity would allow each country to invest in the sector to which its climate was best suited. In that connection, the initiatives adopted by the African Union and NEPAD deserved support.

13. Progress towards the MDGs had been insufficient, partly because the promised support had not materialized. He hoped that commitments to support development in Africa would be honoured, and that the high-level meeting on Africa's development needs scheduled for 22 September 2008 would provide an opportunity to do so.

14. As an arid country, the Libyan Arab Jamahiriya was particularly affected by climate change. Projects such as the Great Artificial River, consisting of a network of pipes transporting millions of square metres of pure water from the desertic South to the more densely populated North, were not in themselves sufficient. He therefore called for a comprehensive global agreement based on the principles of the Earth Summit in Rio, which would address the causes of climate change and ensure that developing countries had the means to adapt, thereby fostering a new way of thinking for a new age.

15. **Mr. Nakayama** (Japan) said that his delegation supported efforts to strengthen the Council, including the launch of the Development Cooperation Forum.

16. At the fourth Tokyo International Conference on African Development (TICAD) in May, participants had agreed on the importance of ownership and partnership, as well as on the concept of human security to protect and empower people and communities. Japan was committed to ensuring follow-up to the outcome of the Conference. Given the challenges faced by Africa in achieving sustainable development and the MDGs, the issues discussed, such as climate change and peace consolidation, were also priorities for the world.

17. Climate change and the environment, the MDGs and the global food crisis were all interrelated, key issues for sustainable development. With regard to climate change, it was time for the world to move towards a low carbon society for the sake of future generations, and technology was vital for achieving that goal. As well as disseminating existing advanced technologies, it was also important to develop innovative carbon-free technologies, such as the new fuel-cell hydrogen vehicle that Japan would be showcasing at the Group of Eight (G8) Hokkaido Toyako Summit. Among other measures, Japan had also established a US$ 10 billion financial mechanism, known as the "Cool Earth Partnership", to support developing countries' efforts to tackle climate change.

18. As regards the MDGs, Japan had, through the G8 process, been advocating the importance of health, education and water and sanitation for human security. As for the global food crisis, Japan welcomed the work to establish a United Nations Comprehensive Framework for Action. It had declared its willingness to release over 300 thousand tons of imported rice and provide financial support to boost food production for poor farmers, stressing the importance of improving agricultural productivity and adopting stronger discipline with regard to export restrictions.

19. **Mr. Naranjo Paz** (Cuba) said that sustainable development for all could not be achieved while the current unsustainable production and consumption patterns prevailed. Rather than seeking only market solutions, economic development must advance in parallel with social development and guarantee environmental protection. The unsustainability of the economic and political world order was further highlighted by the current food crisis. The issue of global food shortages had in fact been raised as early as 1996, at the World Food Summit in Rome. According to the Food and Agriculture Organization of the United Nations, the world already produced enough food to feed every human being.

20. Developing countries were not responsible for the current environmental problems and development could not be denied to those who needed it most. Those who had hoarded wealth and technologies and were responsible for 76 per cent of greenhouse gas emissions should shoulder the main responsibility for combating climate change.

21. Little had been said about the international cooperation needed to favour financing for development, and huge amounts of financial resources continued to flow from the developing to the developed world. Developing countries needed to receive additional resources under preferential terms, without conditions and on the basis of new principles for international cooperation, which must respect national priorities and not be manipulated on the basis of political interests. Despite being a poor country, and notwithstanding the 50-year blockade on its economic and social development, Cuba had shared its resources with countries in Asia, Africa and Latin America on the basis of principles such as solidarity rather than competition, recognition of tacit knowledge, and respect for the needs of those requiring cooperation. He wondered how much more could be achieved with just a fraction of the money spent worldwide on arms each year.

22. **Mr. Waszczykowski** (Poland) said that, while urgent short-term measures were required to respond effectively to requests for assistance from the countries worst hit by the food crisis, long-term international

action, leading to major structural changes in global agriculture policy, was also needed to alleviate its effects. International financial institutions could provide financial support for low-income countries and international brainstorming could be used to establish how to effectively share best practices in agricultural production. It was essential to facilitate the access of small-scale food producers to seeds, fertilizers and technical assistance. Some of those actions were included in the Declaration of the High-Level Conference on World Food Security held in Rome in June.

23. The food problem was closely linked with climate change, and more research was needed to map its consequences at the regional and local levels. Climate change was at the top of Poland's political agenda and in December it would host the fourteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change and the fourth Meeting of the Parties to the Kyoto Protocol, which it hoped would represent an important step forward under the Bali road map. All countries must be involved in creating a post-2012 cooperative regime, since rapid economic development was currently often achieved by investing in sectors that generated huge quantities of greenhouse gases and the investment decisions taken today would have a major impact on climate in the next 50 years. Poland was a good example of a country where strong growth in gross domestic product (GDP) had not weakened the determination to cut greenhouse gas emissions, which had fallen by 4 per cent between 1995 and 2005 while GDP had almost tripled over the same period.

24. **Mr. Mwenifumbo** (Malawi) said that the reduction of poverty in rural areas — where 85 per cent of the population of Malawi lived — was of paramount importance to the Malawi Government, which had developed an Integrated Sustainable Rural Development Strategy to advance economic growth in those areas. Recognizing that rural areas were potential engines of economic growth, Malawi had targeted them with priority initiatives focused on, among others, agriculture and food security; irrigation and water development; transport infrastructure development; and energy generation and supply.

25. Malawi appreciated the support it had received from its development partners, but more needed to be done if the country was to implement its development strategy. In particular it appealed for additional and adequate resources to turn its natural resource wealth into the sustainable economic growth that would enable it to fulfil its national development aspirations. Malawi had already, with limited resources, achieved household and national food security through a targeted agricultural subsidy programme. Its experience showed that investing in small-scale agriculture was key for achieving sustained economic growth in least developed countries.

26. Access to international markets on equitable terms was also essential for sustainable development and poverty reduction in those countries. Malawi called in particular for the removal of agricultural subsidies in developed countries to make the agricultural products of developing countries competitive on the world market.

27. **Mr. Dahinden** (Observer for Switzerland) said that climate change was one of the most pressing and serious issues faced by the international community. Given the threat posed to ecosystems, it was vital to adopt adaptation and mitigation measures and find alternative sources of energy. It was now accepted that poverty, patterns of production and consumption, and natural resource management were inter-dependent issues, and climate change should therefore be taken into account in all decisions, as part of a wider sustainable development perspective. More investment was required to design and implement integrated poverty and environmental impact indicators, and Switzerland was contributing to an initiative that aimed to test such an integrated approach. It was also urgent to place greater value on ecosystems, by developing instruments to promote the responsible use of natural resources and implementing financial transfer and tax exemption schemes to compensate those who looked after the world's ecosystems.

28. The current food crisis highlighted the lack of investments in the agriculture and rural development of many developing countries, but also the neglect of productive sectors by donor countries, including Switzerland. The agricultural policies of many countries had been characterized by a lack of sustainability in recent years, whereas agriculture actually needed both to meet the demand for food and to provide essential environmental services.

29. The challenges of climate change and the food crisis required innovative approaches, including increased aid quality and private-sector involvement.

The United Nations could and must play a key role in finding solutions. Switzerland supported the Council's active contribution in that regard and saw the role of the Development Cooperation Forum as being to provide a framework for dialogue.

30. **Mr. Katjavivi** (Observer for Namibia) said that the new functions of the Economic and Social Council should elevate it to the position it was meant to occupy within the United Nations.

31. Despite the commitments made at the 2002 World Summit on Sustainable Development in Johannesburg, poverty remained a global challenge, highlighting the urgency with which the international community should seek sustainable development-oriented solutions to rural development. Agriculture had been neglected for a long time, owing in part to the ill-conceived policies of some international institutions, which had advised Governments in the developing world to pursue neo-liberal policies and leave agriculture to the whims of market forces, while agriculture in the developed world was heavily subsidized.

32. Namibia had enshrined sustainable development at all key levels of its national planning processes and was pursuing a holistic approach to rural development, combining attempts to boost agricultural production with measures to improve access to social infrastructure and services, including clean and safe water. Climate change and climatic variability, such as severe droughts alternating with flooding, were, however, threatening to reverse those achievements, negatively affecting already low food production and destroying infrastructure. Skyrocketing food prices, compounded by oil price rises, were also jeopardizing many households. The Namibian Government had taken emergency measures to mitigate the effects of food price increases but the crisis also called for concerted international efforts to increase investment in agricultural production, accelerate the transfer of technology and capacity-building, and re-examine the structural defects of the world economy. Namibia called on the Economic and Social Council to play its coordinating role in those efforts.

33. **Mr. Akram** (Pakistan) observed that, when the central banks of the major industrial countries intervened in financial or credit crises, they should give precedence to growth over inflation control, so that their policies would not depress the economies of the South and would alleviate the inordinate growth burden on the emerging markets of Asia. Above all, the industrial economies should not resort to a new protectionism, and should not step back from commitments to increase official development assistance (ODA) significantly.

34. The Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held later that year in Doha, would be an important opportunity to address the challenges that had appeared in the past five years and their root causes. The Conference should focus first on a comprehensive restructuring of the international financial system, to bring the international monetary system back to its two essential purposes: ensuring global financial stability and making financing available in cases of urgent need. Secondly, the Doha Conference should consider how to restructure the global trading system, going beyond the Doha Round of trade negotiations, which if successful would produce commitments by the industrialized North to eliminate agricultural export subsidies, reduce domestic agricultural support and eliminate some tariffs, but which would likely not address the major concerns of the developing countries regarding the new forms of protectionism. The Conference should, thirdly, deal with the constraints on access to the technology so vital for development and for dealing with food, energy or climate change challenges, and should review the trade-related aspects of international property rights.

35. There was no question that rising food and energy prices had contributed to the resurgence of poverty and the regression of the Millennium Development Goals. A comprehensive strategy to address the food crisis should be developed jointly by the Secretary-General's Task Force on the Global Food Security Crisis and Member States. Similarly, there had to be a fair and comprehensive approach to the problem of energy prices, following the welcome initiatives by Saudi Arabia and Jordan with other steps to moderate prices and meet the financial needs of the most severely affected developing countries. Most vital were money and technology, and the United Nations must take the lead in generating both.

36. To meet the challenge of climate change, action was required first and foremost from the industrialized countries, which bore the main responsibility for the climate threat to the world, and the developing countries must not be asked to forgo prosperity and

dignity for the past and continuing profligacy of the rich. In order for the developing countries to participate in the solution, they must be assisted, significantly and urgently, to design and implement a climate-friendly development model. To that end, a number of concerned diplomats, officials and academic experts were planning to launch a research programme whose aim was to support developing countries in preparing an integrated strategy on sustainable economic development and climate change and in the process identify a possible agenda for global cooperation.

37. The challenges were huge, and history would record whether the Members of the United Nations had lived up to the challenges or succumbed to them through inertia and narrow self-interest.

38. **Mr. Botora** (Observer for Ethiopia), speaking on behalf of the African Group, said that Africa suffered from dire poverty and often meagre economic resources, and was therefore particularly affected by the current economic turmoil. Developed countries were neglecting the quality, predictability and effectiveness of aid. African countries continued to be marginalized by unfair trade laws and practices, and a swift conclusion to the Doha Round appeared unlikely.

39. A mechanism should be put in place to promote an integrated approach to rural development, highlighting the links between environmental sustainability, agricultural productivity and rural poverty. Institutional and strategic frameworks should be developed to fulfil the requirements of sustainable development, alongside programmes engaging with local people and issues.

40. The Group hoped that development partners would keep their promises, and that the Accra High-Level Forum on Aid Effectiveness would address that issue. It called on the international community to work with national governments to promote debt sustainability through comprehensive debt relief and management programmes.

41. The monitoring of MDGs also required attention. In particular, the United Nations should prepare a comprehensive matrix to follow up the implementation of Goal 8, which lacked specific benchmarks. The Council's role in promoting dialogue was welcome, and its subsidiary bodies deserved to be strengthened.

42. **Ms. Jahan** (Observer for Bangladesh), speaking on behalf of the least developed countries, said that the deepening global economic, energy, food and climate-change crises affected all developing countries, especially the poorest. The United Nations and the Council must provide effective policy review, policy dialogue and recommendations to overcome current crises and threats. Responses to the food and commodity price spikes must be coherent and multifaceted to address short-, medium- and long-term needs.

43. The international community should consider creating a global food bank to ensure long-term food security for developing countries. Investment in agriculture and rural infrastructure should be scaled up significantly to enhance agricultural production and improve the livelihoods of the rural poor. The least developed countries needed broader support and global partnerships to achieve sustainable agricultural development. Development partners must also fulfil the commitments they had made at recent international conferences and meetings of the past decade, while an enabling international economic environment was needed to buttress national efforts.

44. With falling real official development assistance (ODA) and ratios of ODA to gross national income (GNI), current aid was insufficient for achieving internationally agreed development goals. Developed countries should fulfil their aid commitments in the form of direct, predictable and flexible budget support. The Secretary-General should undertake a systematic review of existing mechanisms for sustainable development, and report to the Council on the quality of ODA.

45. She called for a successful conclusion of the Doha Round of trade negotiations, and for developed countries, and developing ones in a position to do so, unilaterally to provide duty- and quota-free market access to all products from all least developed countries before the conclusion of those negotiations. Moreover, the Doha Round should tackle the systemic distortions in the international market for food and other agricultural products; all outstanding debt of all least developed countries should be written off immediately; and technology transfer to the least developed countries should be facilitated by the provision of access to appropriate technologies on a concessional and preferential basis.

46. **Mr. Ali** (Malaysia) observed that global inflation and climate change were being compounded by the deflation of the financial markets of the developed world. Long-term effects could be expected, and the remedy would be a fundamental change in lifestyle, economic activity and the overall relationship with the environment.

47. The promise of sustainable development had not been kept for various reasons. First, the lack of political commitment and the readiness to pass the burden of action to the developing world by focusing on the period after 2012. Secondly, a way had not been found to balance the competing demands of the three pillars of sustainable development — economic growth, social development and environmental protection. Furthermore, governments and the private sector had not yet arrived at a proper division of work, although action by both was essential. Also, there was currently no international framework for promoting the critical elements of infrastructure development and transfer of technology, where the developing world lacked the means and market solutions had to be complemented by government intervention. In addition, demographic concerns had not been adequately taken into account in sustainable development policies, in terms of both population volume and rural-to-urban population movements, leading to the mistaken belief that the path to rapid development lay in industrialization rather than agriculture, the traditional source of food in the developing world, and the consequent neglect of that sector. It was a matter of urgency for the Council to adopt a coherent and consistent approach.

48. **Ms. Viotti** (Brazil) said that little attention had been paid to an important factor in the current crisis, namely, commodities speculation, whose consequences had been immediately felt in soaring prices for oil and food. Food and energy security were increasingly interdependent. The dramatic increase in oil prices should be examined more thoroughly by the General Assembly, especially since the Food and Agriculture Organization of the United Nations (FAO) High-Level Conference on World Food Security the previous month had not been able to adopt medium- and long-term measures to restore the capacity of developing countries to feed their populations and supply the international markets, and had not dealt with the impact of the energy markets on food prices.

49. The export subsidies and domestic support for agricultural products in developed countries had distorted trade and were a significant disincentive to agriculture in developing countries, and they should be eliminated. Another opportunity for developing countries would be the production of biofuels to generate income and promote food and energy security. Economically and environmentally, Brazil had had good experience with sugar-cane-based ethanol. Like Brazil, over 100 other developing countries, given adequate resources and technologies, would be able to produce biofuels while sustaining a flourishing agriculture, supplying energy to their own people, and achieving rural development. Accordingly, the President of Brazil had invited representatives from all interested countries to participate in an International Conference on Biofuels in São Paolo in November 2008.

50. In promoting rural development, Brazil had placed the right to food at the core of its public policy agendas. It had broadened agrarian reform, increased support to small-scale agriculture and given credit and technical assistance to help farmers market their products. A 2006 law on food and nutritional security had made access to food a permanent policy; and a family allowance programme was benefiting over 11 million of the country's poor.

51. The eradication of poverty was not only a development objective but also the fulfilment of a human right. Indeed, giving economic growth an ethical dimension was a principle rooted in the Brazilian Constitution, with its strong commitment to human dignity. In meeting the many challenges affecting both developed and developing countries, the struggle — particularly to eradicate poverty and hunger — must be waged with determination and a heightened sense of solidarity. It was in rural areas that most of the bottom billion lived, and rural development was the key not only to alleviating the current dire situation but to laying the foundation of a fairer and more balanced world for future generations.

52. *Mr. Méroès (Haiti) took the Chair.*

53. **Ms. Blum** (Observer for Colombia) said that the current urgent interlinked challenges to sustainable development created unique opportunities and a need for increased technical and financial support for national efforts to deal with climate change. The revitalization and adaptation of the agricultural sector

was of fundamental importance, and must be supported by broader capacity-building, technology transfer and access to international markets. In that context, the reduction of protectionist measures and subsidies was critical. In addition, concerted action to boost renewable energy sources was no longer a luxury, but a precondition for sustainable development.

54. Colombia had made a priority of the production and use of alternative energy sources, including biofuels from sugar-cane and palm oil, which had expanded the rural economy without adversely affecting agricultural output. It was important that the Council help strengthen international technical and financial cooperation with middle-income countries, which faced significant challenges in achieving the MDGs owing to internal asymmetries. In addition, the Council could further promote South-South cooperation, support triangular modalities and ensure more active involvement by the United Nations system in replicating successful experiences and promoting capacity development.

55. **Mr. Al Bayati** (Iraq) said that, in Iraq's experience, development could take place only where there was a civil society based on democracy, equality, peace and stability. The situation in Iraq was improving. The approval of the Constitution had paved the way for a government of national unity. The International Compact with Iraq, launched on 16 March 2007 in cooperation with the United Nations, encompassed such areas as politics, economics, culture, health, development and reconstruction, and called for debts incurred by the previous regime to be cancelled. As a result of rising oil prices, a greater part of the national budget could be earmarked for development projects to ensure a higher standard of living for Iraqis. A new legal framework had been enacted to regulate domestic and foreign investment. The Constitution provided for intensified efforts to accede to international conventions on the environment, desertification and the ozone layer, and promoted women's issues and social welfare.

56. However, the agricultural sector faced a number of challenges. Landmines and radioactive shells were damaging the environment and affecting soil fertility. The assistance of the relevant United Nations agencies and allied countries would be needed in order to tackle the problem. In the same way, sustainable development depended on the acquisition of the appropriate technologies.

57. He therefore called on the Council to assist Iraq in achieving the MDGs; continuing poverty would create a breeding ground for violence and extremism.

58. **Mr. Mohamad** (Sudan) said that the current global crises had exposed deep inequality and structural weaknesses in the international system, revealing the need for an urgent global response with regard to governance and the implementation of development commitments. The Council was well positioned to play a leadership role in tackling those challenges.

59. Although it was implementing bilateral and regional partnerships in the area of food security and establishing a regulatory framework aimed at providing an environment conducive to foreign investment, his country still faced such challenges as climate change, which posed a serious threat to sustainable development. The Sudan's fragile ecosystems were under constant pressure from increased and more intense droughts and floods, affecting food security and public health, especially in the rural areas, where 70 per cent of the population lived. In response, the Sudan had created a national plan of action to identify priorities and address climate variability in the context of economic development. Another challenge was the Sudan's unsustainable debt burden, currently about $30 billion. He expressed disappointment that debt relief for the Sudan continued to be held hostage to political conditionality, despite the country's having met prudent macroeconomic relief criteria, and hoped that the newly established Debt Cancellation Fund would seriously address such obstacles and their impact on development efforts.

60. **Mr. Voto-Bernales** (Observer for Peru) said that sustainable development required cooperation and partnership based on national and international solidarity, especially in addressing environmental sustainability and overall socio-economic growth. In that regard, he noted the possibility of market-based mechanisms to protect biodiversity in developing countries, the need for more technical and financial assistance to combat desertification and for attaining sustainable-development goals, and the importance of support for building public-sector administrative and supervisory capacity in developing countries. The report before the Council (E/2008/12) stressed that environmental and biodiversity protection, as well as upgrading manufacturing facilities to meet stricter requirements of developed-country markets, were

critical issues requiring enhanced international support, through technical and financial assistance to developing countries. In the framework of intellectual property rights, Peru was particularly interested in protecting the intellectual and cultural heritage of its indigenous populations. Peru also supported initiatives to address restrictions on access to credit, which could adversely affect private investment in clean, efficient and sustainable manufacturing in developing countries.

61. **Mr. Natalegawa** (Indonesia) said that, halfway to the 2015 deadline for achieving the MDGs, the overall quality of life worldwide seemed to be worsening. The issue of energy security continued to burden industries and national infrastructure, while the threat of climate change continued to loom. It was distressing that the developing world continued to struggle with such challenges, to the detriment of achieving the MDGs.

62. A global approach was needed to address those ongoing challenges and the United Nations must be at the forefront of efforts to address the situation. Indonesia, together with Egypt and Chile, had proposed that food security and development should be the main theme for the sixty-third session of the General Assembly.

63. In addition, reform of the international financial architecture should make sustainable development a common endeavour. Indeed, it was time to practise good governance at the international level. Nationally, Indonesia had launched its most aggressive anti-corruption campaign, and called for vigorous reform to deal with both the food crisis and climate change. At the global level, reform of agricultural trade was needed worldwide to ensure market access for farmers in developing countries, as well as elimination of agricultural subsidies and other market-distorting measures in developed countries. Pervasive and vigorous reform was also needed to address climate change, especially in the area of forest protection.

64. Finally, he called for a genuine partnership in which global cooperation would replace global competition, in order to enable the countries of the world to face their common challenges and ensure a clean, safe, healthy and prosperous world for generations to come.

65. **Mr. Siles Alvarado** (Bolivia) said that countries like Bolivia suffered the consequences of unplanned industrialization, leading to a disconnect in the relationship of man with nature and rampant consumerism, which placed satisfaction of individual needs above the collective good. It was time for a new paradigm in which life was the highest value and the developed world allowed peoples to choose their own development models in keeping with their culture, traditions and aspirations.

66. The Government of Bolivia had taken an approach intended to maintain the balance between man and nature, a concept which was also transforming the relationship between the State and society. In the National Development Plan, the State had resumed a central role as an agent of development, creating opportunities for empowerment of indigenous and impoverished communities. In contrast to the colonialist model, the new development model recognized the culture and organizational structure of indigenous groups, relying on their local skills, experience and knowledge to become the engine of change.

67. In the UNDP Human Development Index, Bolivia's rating had risen from 0.692 in 2006 to 0.695 in 2007; the goal was to reach 0.7, or high-middle, within two years. Among measures which had led to that increase, hydrocarbon nationalization had generated a surplus of $1.4 million in 2007, which had been allocated to programmes to reduce the school drop-out rate and to provide benefits for low-income persons over 60 years of age. Over 97,000 jobs had been created in disadvantaged areas through public programmes and projects. With support from the Governments of Venezuela and Cuba, the "Yes I Can" literacy programme had reached over 600,000 people, with zero illiteracy as its goal. As an example of South-South cooperation, the People's Trade Treaty and the Bolivarian Alternative of the Americas (TCP-ALBA) had granted credit to indigenous communities to help them achieve self-sufficiency. The land reclamation and redistribution programme awarded collective title to communities in order to promote production.

68. Bolivia was making progress, despite the obstacles placed in its path by major interests to prevent it from choosing a development model where redistribution of wealth would be for the benefit of all. It intended to make multilateralism an effective tool in achieving international peace and security, consolidation of human rights, cooperation and solidarity and in protecting the environment.

69. **Mr. Ould Hadrami** (Mauritania) said that the alarming rise in food prices, if not addressed immediately, would have devastating economic repercussions on developing nations. Mauritania was one of the countries most affected by the crisis and the Government had taken urgent measures to alleviate its impact on Mauritanian citizens with limited income. However, individual efforts by any country would ultimately fall short without strong international support, particularly from rich countries, in the form of debt cancellation, facilitation of soft loans and provision of advanced agricultural equipment and fertilizer.

70. Mauritania had presented an integrated development plan to its economic partners at round table on Mauritania held in Paris the previous December. Despite the economic partners' approval of the plan, his Government was still awaiting fulfilment of the commitments made. At the halfway mark towards achieving the Millennium Development Goals, the rich countries should fulfil the commitments they had made at various United Nations meetings and conferences. Economic, social and environmental dimensions must be taken into account in order to achieve sustainable development; shortcomings in any of those aspects would severely compromise development as a whole. In that context, he emphasized the importance of reversing climate change and called on industrialized countries to limit emissions of heat-trapping gases. Mauritania was among the 10 countries most affected by rising sea levels.

71. The developing countries attached great importance to financing for development, and he looked forward to the results of the upcoming Doha summit. He also expressed concern at the possible stalemate in the Doha round of trade negotiations and called on industrialized nations to show greater flexibility and strong political will in that regard. Finally, he thanked the rich countries that had recently committed to increasing food assistance to countries affected by the rise in food prices.

72. **Mr. Chidumo** (Mozambique) said that his Government shared the concerns expressed over the failure to reverse the negative impact of climate change, as well as the risks of the combined global financial, fuel and food crises, which could delay achievement of the MDGs, particularly in sub-Saharan Africa. Poverty eradication was the greatest challenge facing many developing countries. Those countries were doing their part by elaborating national development and poverty reduction strategies and guaranteeing transparent and efficient use of assistance. In response, developed countries should assume their share of responsibility by fulfilling their commitments to meet the internationally agreed assistance targets and creating an enabling environment for sustainable development.

73. The oil price crisis, food shortages and the prospects for a decline in world economic growth posed additional challenges to all, but the impact was more visible and painful in the least developed countries. In Mozambique, scarce financial resources made it impossible to keep up with increased commodity prices. Although the country's overall economic performance in 2007 had been reasonably good, poor performance in the agricultural sector could have negative implications for the people. A broader view must be taken of the food and agriculture system, including an integrated approach to investment in productivity and efficiency at all stages of the commodity value chain, from research and development to farm-level production, processing, storage, handling, transport and distribution to the consumer.

74. Developing countries found themselves in a vicious cycle of dependency and vulnerability that undermined their efforts to address such challenges as political instability, economic growth, poverty eradication, pandemic diseases, humanitarian disasters and environmental degradation. The broad goals of sustainable development called for a wide range of partnerships among all stakeholders, in order to put those countries on the path to sustained growth and improved standards of living.

75. **Mr. Üzümcüoğlu** (Observer for Turkey) said that poverty and hunger were economically unacceptable and politically dangerous, and that development issues and causes of conflict were often closely linked. Defeating world poverty would undoubtedly contribute to collective security and to the establishment of a more stable and peaceful international order.

76. Turkey was active in South-South and triangular cooperation, and was reinforcing its status as an emerging donor country at the regional and global levels. Its official development assistance had been steadily increasing in recent years, reaching 0.18 per

cent of GDP in 2006. Having made the transition from an agriculture-based economy to a trading and industrial economy, Turkey had much to share with countries which were going through a similar process. It had expanded its initial focus on Central Asia and the Caucasus to the least developed countries of Africa. Turkey had been identified as a pivotal country in the Technical Cooperation among Developing Countries (TCDC) mechanism, and an umbrella project co-funded by UNDP and the Turkish Government was under way. It had also hosted a ministerial conference of the least developed countries in 2007.

77. Cross-cutting issues such as climate change and the food crisis had a direct bearing on development as a whole. The United Nations must support a more comprehensive and coherent development agenda to ensure greater coordination of the activities of its specialized agencies, funds and programmes, and Turkey was committed to playing its part in global development efforts.

78. *Mr. Monteiro Lima (Cape Verde), Vice-President, took the Chair.*

79. **Mr. Al-Ja'afari** (Observer for the Syrian Arab Republic) said that the progress made by developing countries in achieving sustainable development and reaching the MDGs was imperilled by the current global crisis, manifested by the rise in food and fuel prices, volatility in global financial markets and successive natural disasters caused by climate change, desertification and drought. In order to avoid further deterioration of the current situation, developed countries must fulfil their commitments and assume greater responsibility towards developing countries as quickly as possible.

80. His Government had made great strides towards achieving sustainable development and the MDGs, having adopted economic reforms that transformed the country into a social market economy based on the three pillars of sustainable development. However, his country's attempt to join the World Trade Organization had faced spurious political obstacles imposed by an influential nation, in spite of the Syrian Arab Republic's fulfilment of the membership criteria required by a purportedly international organization whose international character was restricted by certain countries. In that context, his delegation reiterated the importance of a non-politicized membership process that could not be exploited as a means of political coercion or pressure by some influential States in the Organization. He also denounced the use of unilateral coercive economic measures against developing economies, noting that the United States had imposed unilateral trade sanctions against the Syrian Arab Republic in 2004 and continued to do so, in violation of the principles of international law and trade regulations. Such measures heightened the climate of distrust in the viability of the multilateral trade system, and in the extent of some developed countries' commitment to it.

81. Perhaps the most significant obstacle to sustainable development affecting his country was the continued Israeli occupation of the Golan Heights, which constituted one of the Syrian economy's main agricultural and hydrological resources. The occupying Israeli forces continued their unsustainable exploitation of the Syrian Golan's natural resources and prevented their Syrian owners from benefiting from them, in addition to suppressing the rights of the population living under the occupation.

82. The intensified Israeli settlement policy and Judaization of occupied Arab lands, particularly occupied Jerusalem, had been strongly opposed by the international community because of its negative influence on the peace process. An Arab draft resolution currently before the Security Council condemned the reckless Israeli settlement policy.

83. The Secretary-General's report on promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development, taking into account current challenges (E/2008/68) had noted that 3 billion people currently lived in rural areas and that 980 million people still lived in extreme poverty.

84. His delegation called for more interaction between the Economic and Social Council and the General Assembly in devising a global strategy to address the fallout from the rise in food prices, in conjunction with the Secretary-General's High-Level Task Force on the Global Food Security Crisis. Furthermore, the strategy must be in line with national priorities and policies, supporting developing countries' efforts to increase agricultural production; calling for balanced biofuel production policies and improving the global trade climate in a way that would enable developing countries to profit from increased agricultural production and exports. In order to achieve

those results and implement the development agenda, it would be necessary to overcome the current stalemate in the Doha round of negotiations on global trade liberalization.

85. **Mr. Liu** Zhenmin (China) said that, because of the dual pressure of economic growth and environmental protection, developing countries were under great strain both from a financial and a technological perspective. With regard to climate change, the Kyoto Protocol should remain the core mechanism for addressing that issue, in strict observance of the principle of common but differentiated responsibility. Developed countries should take the lead in reducing greenhouse gas emissions and increase financial assistance and technology transfer to developing countries. The Economic and Social Council must play an active role in coordinating sustainable development efforts.

86. China had reached a crucial stage of industrialization and urbanization, and a relatively high environmental price was being paid for its economic growth. Out of a sense of its responsibility to its people and humanity as a whole, the Chinese Government was making vigorous efforts to implement its sustainable development strategy through the voluntary adoption of specific policies and measures to strengthen legislation, enforcement and monitoring, which had achieved some results. Its efforts to implement its development strategy would change the course of its own development and also contribute to global development. It was confident that its long-term sustainable development goals would become reality.

87. **Mr. Benfreha** (Algeria) said that the current session of the Council provided an opportunity to address the global food crisis, which had resulted mainly from systemic dysfunction in the world economy. Algeria supported United Nations efforts to achieve sustainable development centred around its three pillars: economic development, social development and environmental protection. Poverty eradication efforts must also place greater emphasis on agricultural development and increased production in order to combat hunger effectively.

88. Algeria was especially vulnerable to the effects of climate change because most of its land was arid or semi-arid and, like other States in the region, it suffered from recurring drought and desertification. In addressing the situation, it applied the provisions of the United Nations Convention on Desertification, particularly in the areas of water resources, agriculture and forestry. Given the close linkage between desertification and poverty, concrete actions were needed at the international and regional levels. The national plan for agricultural and rural development had stimulated economic growth in rural areas and increased agricultural production by creating synergy among economic and social activities.

89. Considerable progress had been achieved towards sustainable development in Africa, although the continent remained unjustly marginalized. Africans, both individually and collectively, must take control of their destiny, and the New Partnership for Africa's Development (NEPAD) was a mechanism capable of meeting their expectations regarding the MDGs, provided that it received adequate international support. The United Nations system must play a greater role in supporting African efforts for the development of Africa, and the forthcoming high-level meeting of the General Assembly on Africa's development needs provided an opportunity for it to redouble its efforts in cooperation with that region.

90. **Mr. Carmon** (Observer for Israel) said that, along with the many pressing challenges facing the international community in the realm of economic and social development, the problems of climate change, deforestation, desertification and environmental degradation continued to intensify at a faster rate than the global efforts to stem them. Such threats to sustainable development demanded the highest level of cooperation and the strengthening of the mandate of the Council was therefore timely. The recent General Assembly Meeting on the Global Food Crisis and the Rome High-Level Conference on World Food Security were also steps forward, but increased focus on agriculture and technology transfer to developing countries would be needed to meet the challenges fully.

91. Rural development had emerged as a vital area of focus, both in feeding the hungry and alleviating poverty. Trends in agricultural production were troubling, however. Many countries lacked the necessary resources and infrastructure to put new methods to increased yields into practice. The broader context of development could not be ignored either, as development issues were linked and mutually reinforcing. Israel had recently hosted a special meeting on the Green Revolution in Africa, which had also marked the signing of a memorandum of

understanding between UNDP and Israel's Centre for International Cooperation. Israeli innovation, experience and know-how were already being used in Africa and in many other regions of the world as a contribution to global efforts to achieve sustainable development.

92. It was time for the focus to shift to implementation. The sustainable development issues discussed over the past several days were complicated, and positions could at times be polarized. Israel believed that the only way to deal with such issues effectively was through partnership. For its part, his Government looked forward to strengthening existing collaboration and creating new partnerships within the international community.

93. **Mr. Talbot** (Guyana) said that the international community was faced with a defining moment in action for sustainable development. Left unchecked, the energy, food and climate change crises together could portend not only the evaporation of the prospects for achievement of the internationally agreed development goals, but a reversal of hard-earned progress. There could be little doubt that the overall impact of the crises would be felt most severely by the most vulnerable segments of the global population. While there could be many underlying factors in the crisis, it was clearly detrimental to the interests of small economies and producers.

94. Although Guyana was a net exporter of food, it was vulnerable to the rise in the cost of fuel and other inputs for food production. The crisis could intensify the challenges to sustainable development at the national level and amplify inequalities between and within countries, thereby accentuating social, political and security risks. His Government thus emphasized sustained investment in agriculture in the medium and long term and efforts to create a fair global trading regime. The international financial institutions could assist by providing concessionary credit terms for small producers. In addition, a prudent approach to the use of biofuels should ensure that it helped to meet rather than aggravate the energy needs of developing countries. At the regional level, the members of the Caribbean Community had already taken steps to ensure the adequate supply and distribution of food within the region.

95. Even before climate change had emerged as one of the defining issues on the global development agenda, Guyana had understood the importance of pursuing a path of sustainable development. Over the past two decades it had pursued sustainable forestry practices in over one million hectares of pristine forest, and the Government had recently offered the conservation of the majority of its forest resources as part of its contribution to the mitigation of climate change, on the basis of economically viable arrangements.

96. An integrated approach to rural development was central to the achievement of sustainable development for the majority of developing countries, and agriculture had a proven comparative advantage in reducing poverty. For countries like Guyana, where agriculture remained the largest sector of the economy and employed over half the labour force, rural development could not be divorced from sustainable development.

97. The response to the current crisis had made it clear that there were many pervasive systemic factors hampering the growth of developing countries. Few would argue against the importance of good governance and the power of the market; on the other hand, few believed that total reliance on that paradigm alone provided a workable model in all situations. Guyana had thus advanced the case for a new system of global relationships that took those realities into account. The failure to complete the Doha Round of trade negotiations was a symbol of failed efforts at development cooperation, and its early conclusion would provide a much-needed infusion of confidence that could reinvigorate other dimensions of cooperation. The Council should seize the opportunity to exercise its responsibilities under the Charter and galvanize effective action by the international community.

98. **Mr. Kim** Bong-hyun (Republic of Korea) said that the global community was faced with the daunting challenges of the global economic slowdown, food and energy price hikes and the impact of climate change. Instability in the global financial markets had spilled over into the real economy, slowing world economic growth. In order to deal with the current crisis, a much higher level of economic and financial collaboration would be required of the international community than ever before.

99. His delegation commended the efforts of the Secretary-General to respond to the global food crisis,

which threatened to undermine the achievement of the MDGs. As a country which had successfully overcome hunger and poverty in a relatively short period of time, the Republic of Korea was willing to join the international effort in that area. In addition to providing humanitarian assistance, his Government was helping to increase agricultural productivity in developing countries by supporting bilateral projects.

100. Because of the debilitating impact of climate change, extreme weather and natural disasters occurred more frequently and resulted in greater property damage and loss of life. With the growth of climate change challenges, the time had come to integrate the concept of sustainable development into the fabric of global society.

101. Development objectives and the mobilization of financial resources were two sides of the same coin, and his delegation hoped that the Doha Review Conference on Financing for Development would encourage the efforts of the international community. For its part, his Government had made efforts to scale up its development assistance in recent years. In addition, as an innovative financing method, it had launched an air-ticket solidarity levy. Public-private partnerships also warranted special attention as additional sources of financing.

102. The current session was a milestone for the Council in the context of its strengthened framework, and his delegation hoped that the discussions would result in an action-oriented outcome.

103. **Archbishop Migliore** (Observer for the Holy See) said that the ongoing food crisis, as well as the economic downturn in some developed countries, highlighted the importance of the theme of the high-level segment. The food crisis was the result of short-sighted economic, agricultural and energy policies and had affected all societies, manifesting itself in a variety of ways, including food shortages and higher commodity prices. It posed a threat to the enjoyment of the right to be free from hunger and, in that connection, resolution S-7/1 of the Human Rights Council correctly emphasized the primary obligation of States, with the support of the international community, to make their best efforts to meet the vital food needs of their own populations through the adoption of measures that safeguarded human rights and the rule of law.

104. As a first step, action must be taken to assist those suffering from malnutrition and starvation. However, initial emergency aid must be accompanied by a concerted effort to invest in long-term and sustainable agricultural programmes at both the local and international levels. Agrarian reforms in developing countries must also be accelerated in order to ensure that smallholder farmers had the tools needed to increase production in a sustainable manner and to access local and global markets. Furthermore, agricultural and environmental policies must be reasonable and realistic in order to strike a balance between food production and environmental protection. The current food crisis re-emphasized the urgent need to explore new energy supplies which did not pit the right to food against other rights and needs.

105. His delegation welcomed the recommendations of the recent High-Level Conference on World Food Security, which offered a practical guide to dealing with the consequences of the food crisis and preventing its recurrence. The absence of consultation and multilateral cooperation had had tragic consequences in the twentieth century. The present crisis was an opportunity for the global community to come together and take concerted action.

106. **Mr. Piperkov** (Chairman of the Commission on Population and Development at its forty-first session) recalled that, at its forty-first session, the Commission on Population and Development had focused on the development aspects of population distribution. Although measures adopted to slow population growth had been effective — the current rate was 1.3 per cent, as opposed to 2 per cent in the late 1960s — there was no room for complacency. High fertility rates persisted in many of the least developed countries and continued rapid population growth threatened the sustainability of rural development. On the positive side, however, many governments had developed culturally sensitive policies that capitalized on women's desire to have fewer than five children and provided citizens with the information and means to achieve their desired family size. Access to safe and reliable methods of family planning was a key component of such policies.

107. Population disparities within countries must also be reduced. Generally speaking, rural populations had higher fertility rates than urban populations and less access to relevant social services. In addition, poor people in urban areas were not able to avail themselves of those services as easily as their wealthier

neighbours. Reducing such inequities was an effective way of improving human capital and reducing the incentive to have more children. Even in low-income countries, declining child mortality rates and improved access to educational facilities had prompted parents to have fewer children and invest more in each child. It was therefore particularly important to support the efforts of the least developed countries to achieve the MDGs and to prevent the potentially detrimental effects of global food crises on child health.

108. Efforts to slow population growth, reduce poverty, improve environmental protection and reduce unsustainable consumption and production patterns were mutually reinforcing. Thus, countries lagging behind in the transition to low fertility had no time to lose. The success of population education and family planning programmes in a variety of settings demonstrated that informed individuals could and would act responsibly, taking account of their own needs as well as those of their families and communities.

109. **Ms. Ndiaye** (Observer for the International Organization for Migration (IOM)) said that, in recent years, poverty reduction and/or elimination had become an important development indicator. However, income inequality between rural and urban populations in developing countries, as well as between developing and developed nations themselves, was growing. The current food crisis, as well as drought, desertification and land degradation brought about by climate change, had a direct impact on rural development, and phenomena linked to migration could also affect the successful achievement of the MDGs in both positive and negative ways.

110. Sustainable rural development could not be achieved without the full participation of women. However, their role in rural development efforts was constantly underappreciated and under supported and was often adversely affected by prevailing economic policies and other development-related conditions. Rural women lacked viable sources of income and their access to productive resources was limited. In order to remedy that situation, IOM was striving to create economic opportunities through, inter alia, the establishment of microenterprises and capacity-building. In addition, women who chose to migrate abroad must be provided with information about regular channels and made aware of the risks and possible consequences of illegal migration.

111. Governments and international organizations must also facilitate the participation of migrants in small and medium-sized enterprises, particularly in rural areas, and must recognize the vital role of those enterprises in generating employment and stimulating development. As a first step, assistance should be provided to enable small and medium-sized enterprises to penetrate non-traditional markets.

112. Young people often left rural communities to seek better economic opportunities elsewhere. In order to combat that phenomenon and capitalize on young people's potential to contribute to rural development, governments should provide training opportunities in the agricultural sector and make it easier for them to establish small businesses. Skills development and knowledge-sharing were also critical elements of efforts to eradicate poverty and promote rural development. In particular, migrants could contribute to the development of their countries of origin through remittances and transfer of technical expertise.

113. Developing countries required assistance to build the capacity needed to participate in the development of international frameworks and to devise and implement national policies reflecting domestic priorities and international commitments. That capacity must enable developing countries to manage their rural economies and the natural resources on which those economies were based in a sustainable manner. Developing countries should also consider the relevance of mainstreaming a migration perspective into their national poverty reduction and development strategies.

114. **Mr. Filho** (Observer for the International Association of Economic and Social Councils and Similar Institutions (IAESCSI)) recalled that the three pillars of sustainable development were economic growth, social development and environmental protection and stressed that the main feature of the approach to sustainable development adopted by the United Nations was the establishment of a genuine global partnership. At the heart of that partnership lay the MDGs. Unfortunately, however, despite signs of progress in some areas, the overall implementation rate of those objectives was alarmingly low, and the international community as a whole must now take decisive action in three priority areas, namely public health, education and the fight against hunger.

115. IAESCSI, an organization bringing together some 60 economic and social councils and similar institutions from around the world, offered a unique forum for debate on questions relating to sustainable development and had taken a number of steps to raise awareness of the MDGs among members of civil society, in particular those involved with education and training, and non-governmental organizations. Civil society had a vital role to play in development efforts in poor countries: when it was well organized and had achieved a certain degree of independence from national political powers, it could act as an effective lever for achieving good governance and promoting development.

116. **Mr. Maradona** (Observer for the Intergovernmental Institution for the Use of Micro-algae Spirulina Against Malnutrition (IIMSAM)) said that unless the issue of malnutrition, and the inherent link between that phenomenon and the MDGs, was addressed by the international community as a matter of priority, sustainable development would remain unattainable. Spirulina, which was rich in essential proteins, minerals and vitamins, was consumed in more than 77 countries and could be administered to children, could be a key component of strategies to eradicate hunger, achieve food security and bridge the health divide. The Institution had already completed the first phase of a project to use spirulina to combat malnutrition and other concomitant barriers to development in Iraq and planned to launch similar projects in Brazil, Ghana, Haiti, Honduras and India.

117. Member States, civil society and other stakeholders must realize and exploit spirulina's potential as both a policy instrument and a practical method of eradicating hunger and achieving the MDGs. Since the physical conditions in most parts of the world were conducive to the cultivation of microalgae, spirulina could be produced in developing countries, where local cultivation, procurement and distribution would not only empower the communities concerned but would also build lasting capacity that would contribute to broader sustainable development efforts.

118. **Ms. Soeder** (Food and Agriculture Organization of the United Nations (FAO)), speaking also on behalf of the International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP), pointed out that, while no poor country had ever successfully reduced poverty without first increasing agricultural productivity, domestic investment in agriculture in most poor countries had long been in decline. The effects of high food prices were exacerbating the already critical situation in developing countries, with the poorest of the poor, in particular households headed by women and children, suffering the most.

119. In order to meet emergency food needs and to promote sustainable livelihood options for vulnerable men, women and youth, concerted action was needed. The United Nations system had already taken a number of steps to that end: the Secretary-General's High-Level Task Force was developing a comprehensive framework for action to ensure that international efforts to address the food crisis were well planned and coordinated, and the declaration adopted by the FAO High-Level Conference on World Food Security in June 2008 had served to re-establish agriculture as a priority issue.

120. The international community's first priority must be to feed the hungry, ensuring that all disadvantaged groups, such as women and indigenous peoples, were included. Efforts must also be made to boost smallholder agricultural supply for forthcoming crop seasons by increasing access to inputs and services and promoting appropriate policies. By focusing on small-scale interventions and rural microfinance, IFAD would devote US$ 1.3 billion to the funding of rural and agricultural projects in 2008 and had made US$ 200 million immediately available to meet urgent needs.

121. Short-term solutions must, however, be complemented by measures designed to ensure longer-term food security. The latter could be achieved only through investment in all aspects of the production cycle. In addition, smallholder farmers and workers must be involved in efforts to combat climate change, including the development of sustainable biofuels.

122. The world's 450 million smallholder farms were home to about two million men and women, yet investment in agriculture remained critically low. To put an end to that neglect, the proportion of official development assistance devoted to agricultural production and rural development should be increased from 3 to 10 per cent, with the ultimate aim of reaching 17 per cent. Sound policies that took account of new realities and global challenges, such as emerging pests

and diseases, climate change and demographic patterns, would also be needed.

123. In closing, she said that there was a growing and welcome recognition of agriculture's prominent role in the wider development agenda. For that reason, FAO, IFAD and WFP continued to assess the potential for further collaboration to support the implementation of internationally agreed development goals.

124. **Ms. Master Moos** (Observer for the All India Shah Behram Baug Society (for Scientific and Educational Research)) said that the water purification technology pioneered by Dr. Victor Inyushin was the only one of its kind able to purify water polluted by nuclear, biological and chemical waste, clearing contaminated water within three days. The technology could help Governments prevent waterborne diseases, and could provide potable water for millions of people worldwide, thus promoting the MDGs and sustainable development. Moreover, the clean water provided would enhance agricultural yield and thereby directly address the food crisis. The technology had been discovered in the former Soviet Union, where it had been used to clear nuclear waste from contaminated bodies of water. She expressed her gratitude to countries which would take up the patented technology.

125. **Mr. Parmegiani** (Observer for the Legion of Good Will) said that his organization worked to raise awareness of the importance of protecting the environment, with particular focus on the Brazilian Amazon rainforest and its role in global sustainable development. The organization based its recommendations on three axes: education of youth and adults on responsible use of natural resources; media promotion of public awareness campaigns; and networking and mobilization of multi-stakeholder cooperation, including NGOs, academia and the civil and private sectors. He referred those seeking more information to document E/2008/NGO/16.

126. **Mr. Clerc** (Observer for the World Family Organization) said that his organization, "Droit à l'Energie", once again called upon the United Nations to recognize access to energy as an essential need, given its crucial role in promoting economic and social development. In addition, the international community must develop an immediate plan of action to make energy available in various poverty-stricken regions.

127. The global rise in fuel prices was readily blamed on the market and the development of emerging countries, without taking into account the reprehensible actions of speculators who contributed to the global food crisis and to world hunger and poverty by pillaging grains to produce biofuels. He called on all States Members of the United Nations to restrict and monitor the use of food grains and arable lands in the production of bioethanol. The manufacture of biofuels from waste products might represent an intelligent and responsible solution that could meet a significant number of energy needs.

128. His organization was a strong advocate of electricity as a means of energy, but recognized that developing countries could not copy the power grids used in developed countries. While decentralized local production of electricity using renewable sources, such as solar and wind energy, would be more costly, it must be weighed against the greater cost of a lack of access to energy.

129. **Mr. Foussard** (Observer for Fundación Diagrama), also speaking on behalf of the International Juvenile Justice Observatory, said that his organization strongly supported the creation of an implementation plan on sustainable development for youth. The plan should focus on innovating strategies to incorporate youth-related sustainable development issues into national and international policies; improving and renovating national and international programmes in order to ensure sustainable livelihoods for young people; promoting youth leadership; empowering young people for action in the field of sustainable development and peace; and promoting ecopreneurship among youth in order to help build sustainable cities and to reduce rural environmental degradation. The plan should also elaborate social, economic and environmental indicators to assess the success of the youth-related MDGs.

The meeting rose at 8.15 p.m.

United Nations E/2008/SR.19

Economic and Social Council

Provisional

16 September 2008

Original: English

Substantive session of 2008
High-level segment

Provisional summary record of the 19th meeting
Held at Headquarters, New York, on Thursday, 3 July 2008, at 9.30 a.m.

President: Mr. Lima (Vice-President) ..... (Cape Verde)
later: Mr. Mérorès (President) ..... (Haiti)

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In the absence of Mr. Mérorès (Haiti), Mr. Lima (Cape Verde), Vice-President, took the Chair.

The meeting was called to order at 9.35 a.m.

(c) Annual ministerial review: Implementing the internationally agreed goals and commitments in regard to sustainable development (*continued*)

National voluntary presentations (*continued*) (E/2008/70, E/2008/78, E/2008/79 and 86)

1. **The President** invited Mr. Hales, President of the College of the Atlantic, to act as moderator for the national voluntary presentations.

Lao People's Democratic Republic (E/2008/78)

2. **Mr. Sangsomsak** (Observer for the Lao People's Democratic Republic) said that the National Socio-Economic Development Strategy (NSEDP) was designed to promote rapid and stable economic development, boost competitiveness, strengthen coherence between economic and social development, speed up the development of the socio-economic infrastructure and foster a viable market-oriented economy.

3. The implementation of the Strategy was based on a series of specific national development goals pertaining to the eradication of poverty and opium cultivation, the encouragement of environmentally sustainable agricultural practices, the attainment of the Millennium Development Goals (MDGs) and graduation out of its status as a least developed country by 2020. The Government had identified agriculture and forestry development, education, health, infrastructure, with cross-cutting priorities in various sectors, as its focus for development.

4. The sixth Socio-Economic Development Plan (2006-2010) was expected to stabilize growth, and yield a gross domestic product (GDP) of $800 per capita by 2010. In that same period, enrolment in primary education should increase to 90.6 per cent, and drastic reductions in the infant and under-five mortality rates were expected.

5. The estimated cost of implementing the Plan was $90 billion, and more than 80 per cent of the total public investment was expected to be derived from official development assistance (ODA), with over 60 per cent of private investment originating from foreign direct investment (FDI). In sum, the Lao People's Democratic Republic still relied on the international community for ODA and FDI in order to achieve its national development goals.

6. Current indicators showed that the growth rate reached 7.5 per cent in 2007, and the per capita income was $678. The poverty rate had dropped steadily from 46 to 28.7 per cent between 1992 and 2006, and net enrolment in schools and literacy had risen to 84 and 58 per cent, respectively. In the area of health, under-five, infant and maternal mortality rates had all dropped significantly. Much progress had been made in gender equality, especially since the adoption of a 2004 law on the development and protection of women. The enrolment rate of girls in primary education and the proportion of women in the National Assembly had both risen.

7. International cooperation and good neighbour diplomacy were the hallmarks of foreign policy. Regional economic integration was actively pursued through various mechanisms under the Mekong development and within the framework of community building in the Association of Southeast Asian Nations (ASEAN). The Government was committed to promoting regional connectivity in order to transform itself from being a landlocked State to a land-linked hub. The Lao People's Democratic Republic also aspired to becoming a supplier of energy for the region, and was building several hydropower plants to fulfil that role.

8. ODA receipts had amounted to $432 million in 2007. In line with its commitment to strengthening ODA effectiveness, the Lao Government had endorsed a plan of action to ensure the effective implementation of the Vientiane Declaration on Aid Effectiveness. An enabling environment for foreign investment was supported by the domestic legal framework and through bilateral agreements. The expansion of international trade had produced a record trade surplus of $61 million in 2007, and negotiations on the establishment of a free trade area were under way. Tourism had also increased steadily, generating $200 million in 2007 alone.

9. In spite of those achievements, the Lao Government continued to face daunting challenges in food security, maternal and infant mortality and gender equality, and lacked sufficient financial resources in the social sector. However, during the process of

implementing the development strategy, it had learned that poverty and malnutrition could be reduced by enhancing sustainable agriculture, rural employment, and income generation, and by developing rural infrastructure. The Government had also recognized that universal access to quality health care and reproductive health education would reduce maternal mortality. In the same vein, efforts to reduce infant mortality must address the issues of malnutrition, improvement of maternal and neonatal care and the expanded immunization coverage.

10. Adequate resources must be allocated to education infrastructure throughout the provinces, and the quality of education would benefit from an improved curriculum and better training opportunities for teachers. Furthermore, institutional capacity should be built to ensure the enforcement of environmental regulations and action plans, and, as a matter of urgency, to increase public awareness on environmental protection and health.

11. **Mr. Lidén** (Sweden), commenting on the climate of vibrant economic growth and progress in the region, said that the process of harnessing the abundant natural and biodiversity resources could actually undermine the sustainable development of the Lao People's Democratic Republic. He anticipated the need for international assistance in the area of environmental protection, and invited comments on the Government's plans in that regard.

12. Recalling that Sweden had helped to train teachers and health professionals, he suggested that a skilled workforce was critical to the effective management of the country's resources. Referring to the challenge of reaching people in remote areas, he urged the Government to take all necessary human rights aspects into account during the implementation of programmes that involved the relocation of local population groups.

13. Recent innovations, undertaken in cooperation with the United Nations Children's Fund (UNICEF), had led to a network of "child-friendly" schools, which successfully formed an important link between health and education. Practical features, such as separate restroom facilities for boys and girls, and food incentives had encouraged the enrolment and retention of girls in schools. It could not be denied that the education of girls had a lasting impact on national development, especially on human resources, reproductive health and paediatric health care. Lastly, he stressed that birth registration was not only necessary for the development and education of children, but it was also crucial to their legal empowerment.

14. **Mr. Ali** (Malaysia) recalled that, on a per capita basis, the Lao People's Democratic Republic was considered one of the poorest countries in Asia; yet it was well endowed with natural resources. Owing to its size and relatively small population, it had great potential for agricultural development. Further advantages were to be derived from the country's ethnic diversity, transport connectivity, political stability, an emerging market economy, and the Government's commitment to the National Socio-Economic Development Plan.

15. The Lao People's Democratic Republic was on course to attain the Goal targets on reducing poverty and infant mortality. In that vein, its efforts on the remaining targets were encouraging, as it had made considerable progress in containing certain diseases, and in strengthening the political representation of women. Pointing out some of the outstanding issues confronting the Government, he mentioned malnutrition, the lack of a proper education infrastructure and a shortage of teachers. He also highlighted gender disparity in education, the need for broader immunization coverage, and improved access to health care, especially reproductive health services. Although the current prevalence of HIV/AIDS was comparatively low, he feared that the increased movement of persons across borders would encourage the spread of the disease. Faced with those challenges, the Lao Government should be commended for recognizing the need for a coherent and integrated effort in generating resources and channelling them into key activities such as education, poverty reduction, public health services, employment income-generation and infrastructure development.

16. As a member of ASEAN, the growth and prosperity of the Lao People's Democratic Republic was intertwined with that of the Association as a whole. The Initiative for ASEAN Integration (ASEAN IAI) was specially designed to assist in economic development, largely through bilateral assistance in capacity-building and training. Benefits had also accrued from the Mekong Basin Development Cooperation forum, which included a rail link connecting Lao People's Democratic Republic to Viet

Nam and would eventually complement the highways linking it to ports in Viet Nam and Cambodia. He stressed the importance of land, air and sea connectivity for development, and the commitment and support of ASEAN neighbours and partners. For its part, Malaysia, was doing its utmost to assist the Lao people to build a better future. He was confident that the country would be able to graduate out of the least developed category, but the speed at which it did so would depend on the prevailing economic environment in the region.

17. **Mr. Shinyo** (Japan) said Japan was encouraged by the National Socio-Economic Development Plan, the determination of the Government to improve the country's status, and its achievements so far. Japan, the top donor to the Lao People's Democratic Republic, supported self-help efforts and fostered regional economic integration and sustainable economic development through trade and investment promotion and the Japan-Mekong region partnership.

18. With reference to the Lao Government's expressed desire to reduce its aid dependence, he asked how it would be possible to sustain economic growth with less foreign aid. Within the context of the upcoming midterm review of the Almaty Programme of Action, he wished to know how the Government was able to surmount its difficulties as a landlocked country to secure economic growth through trade and investment, and enquired how best the international community could assist in those efforts.

19. **Mr. Hill** (Observer for Australia) said that the National Socio-Economic Development Plan, and the National Growth and Poverty Eradication Strategy (NGPES) clearly demonstrated the Lao Government's commitment to the achievement of the MDGs. Australia was proud to be a long-standing development partner and had focused on priorities that had been identified jointly with that Government. The main ongoing programmes were related to education, capacity-building, trade facilitation, land titling and public financial management. Australia also supported community development programmes aimed at reducing the vulnerability of poor communities to unexploded ordnance and natural disasters.

20. The development of human capital was critically important, but the challenge for the future was the development of the country's capacity to provide a better life for its people in the medium to long term. Harnessing the wealth of natural resources in a sustainable way would be a key issue. Australia recognized that the transition from a centrally planned to a market-oriented economy had been a significant factor for growth and poverty reduction. In order to maintain growth, the Government should continue to place emphasis on economic reform, focusing on the facilitation of private sector development, the expansion of rural and urban employment with special emphasis on agricultural development. The Australian Government looked forward to its continued work with the Lao Government in the development of the country's human and natural capital.

21. **Mr. Hales** (Moderator), in summarizing, said that one common theme raised by the development partners was the extent to which many of the actions identified in the report fell within the capacity of the decision-making structures of the Lao People's Democratic Republic. The partners also shared an interest in knowing how donors could best address the special challenges it faced as a landlocked country, assist in rural development and promote the environmentally sustainable use of natural resources.

22. **Mr. Sangsomsak** (Observer for the Lao People's Democratic Republic) said that, since 1986, his Government had attached great importance to formulating a clear policy on environmental protection in tandem with economic development. The result was a national forestry programme which incorporated mechanisms to promote conservation. The Government had sought to eliminate disparities between rural and urban areas by improving road links to the poorest communities, boosting the agricultural sector and broadening market access for rural producers.

23. With respect to the displacements caused by mining activity, he assured the Council that generous compensation and modern amenities had been provided for households that had been relocated, and that the families concerned enjoyed a high standard of living. By 2015 the Lao People's Democratic Republic would be fully integrated into ASEAN. He believed that the best assistance neighbours and other partners could offer was opening their borders and airlinks, and helping with bridge and road construction.

24. His Government had sought to reduce its dependence on aid by focusing its strategy on ownership, self-reliance and self-mastery. In its relationship with the international community, the Lao

People's Democratic Republic had adopted an approach that combined domestic potential with external strength. It had deepened and expanded economic cooperation to far-flung regions, such as Europe and Latin America. At the same time, it tried to accelerate economic growth to a level beyond 8 per cent, maintain a balanced budget and lower the current deficit of 23 per cent, while promoting foreign investment.

25. He drew attention to four bilateral programmes undertaken in cooperation with Australia, underscoring the role those projects had played in boosting his country's hydroelectric capacity. As a result, the Lao People's Democratic Republic was in a position to supply energy to its neighbours.

26. *Mr. Mérorès (Haiti), President, took the Chair.*

27. **Mr. Adams** (New Zealand), noting that in the area of ecotourism, the Lao People's Democratic Republic had a number of major attractions, by virtue of its landscape, history and cultural heritage, asked that country's representative to comment on the status of tourism in the Government's overall strategy on sustainable economic development.

28. **Mr. Loayza Barea** (Bolivia) wanted to know how, as a landlocked country, the Lao People's Democratic Republic carried out development initiatives such as health and education programmes for border populations. What were the challenges of implementing such programmes?

29. **Mr. Sangsomsak** (Observer for the Lao People's Democratic Republic), responding to the question put by the representative of New Zealand, said that the abundance of natural resources and the small population in his country had made ecotourism a major type of tourism. Some 1.5 million tourists had visited the Lao People's Democratic Republic in 2007 and that figure was projected to increase to 2 million over the next several years. The Government had adopted a long-term strategy to promote tourism, with a focus on natural scenery in the northern regions of the country, and temples and monuments in the central and southern regions.

30. Turning to the question put by the representative of Bolivia, he said that being landlocked was no longer considered an obstacle to economic development; his country focused, instead, on being "landlinked" and on the opportunities offered by such a geographical situation. Surrounded by five other countries, the Lao People's Democratic Republic had already built or was in the process of building bridges across the Mekong River and additional main roads to create economic corridors with other countries. Plans were being made to eventually connect his country with India.

Luxembourg (E/2008/70)

31. **Mr. Schiltz** (Minister for Development Cooperation and Humanitarian Affairs, Luxembourg) said that since the early 1990s, development cooperation had been a priority for his Government, which had allocated 0.92 per cent of gross product to official development assistance in 2007. Luxembourg's assistance was allocated solely in grant form and was entirely untied. Because Luxembourg attached great importance to quality and effectiveness, in addition to scaling up the amount of its development assistance, it had maintained a policy of geographical concentration on 10 countries, focusing on the primary goals of poverty eradication and sustainable development. In the context of the implementation of the Paris Declaration on Aid Effectiveness, adopted in March 2005, Luxembourg's cooperation programme promoted partnerships that took account of partner countries' priorities and that entailed mutual responsibilities.

32. Multi-year programming allowed for financial predictability, which was indispensable for the effective management of any country. Luxembourg had also expanded its regional cooperation bureaux in Africa and South America and was maintaining closer ties with other European development cooperation agencies.

33. Development cooperation initiatives must address the economic, social and environmental facets of sustainable development in order to be effective. Generally speaking, access to water and sanitation was of crucial importance for all partner countries. It had been recently decided that Luxembourg would step up assistance for developing countries' efforts to adapt to climate change and to mitigate the risk of natural disaster. Furthermore, the issue of adaptation to climate change would be taken into account for all future development programmes.

34. Regarding the food crisis, it was crucial to invest sustainably in the agricultural sector of developing countries by giving priority to food security, while taking biodiversity into account. At the same time, it

was important to respect all countries' approaches to agriculture as a matter of food sovereignty. Speculation on agricultural commodities must be condemned and prevented in future and developed countries' approach to biofuels must be re-examined. Finally, the issues of climate change and poverty eradication must be addressed jointly.

35. The MDGs were far from being achieved and the neglectful attitude of developed countries was unacceptable. He appealed to all donor countries to reaffirm their commitments to increase ODA to 0.7 per cent of GDP by 2015 according to specific timelines. Luxembourg would spare no effort to meet its commitments to its partners.

36. Luxembourg had in recent years extended its development work to microfinance, within the framework of a public-private partnership. It acted as a facilitator, encouraging stakeholders to get together and supporting the efforts of developing countries to create the conditions necessary for growth, in terms of administrative and financial structures and good governance.

37. With regard to progress on the MDGs, rich countries must fulfil their commitments, while developing countries must further incorporate the MDGs into their national policies, especially in terms of budgetary planning, good governance and capacity-building in order to increase their ownership of programmes.

38. **Mr. Lima** (Cape Verde) said it was important to emphasize that Luxembourg's development cooperation was based on the principles of solidarity, capacity and political will for dialogue, and mutual understanding with partner countries. Luxembourg's partnership with Cape Verde had benefited the people of Cape Verde directly: a drug rehabilitation programme launched by Luxembourg in Cape Verde thus not only helped drug addicts overcome their addiction, but enabled them to be reintegrated into society by teaching them a trade.

39. Development projects were carried out together with the authorities of Cape Verde, and according to their vision. Luxembourg had set a tremendous example for what a small country could do with commitment and vision. It had targeted essential areas of development pragmatically, for example by providing technical training to improve education. It was important to reiterate Luxembourg's call for Northern countries to deliver on their commitments and for Southern countries to take leadership in projects.

40. **Mr. Heiskanen** (Observer for Finland) said that most donors were still struggling to reach the target of contributing 0.7 per cent of gross national product to overseas development assistance. It would therefore be helpful to know what strategies Luxembourg had used to gain such strong public support. Also, given that Luxembourg's development cooperation focused on a specific number of countries and sectors, he wondered how it would go about strengthening support for new sectors, such as agriculture. Finally, noting that the promotion of sustainable development required coherence in non-aid policies he wondered how Luxembourg ensured policy coherence for development.

41. **Mr. Hales** (Moderator) noted that Luxembourg, by moving away from annual budgeting of ODA, had increased the timeliness and predictability of such funding. Luxembourg also appeared to rely significantly on NGOs for delivery of services on the ground, in accordance with partner country priorities. He wondered if Luxembourg could elaborate on its experience.

42. **Mr. Schiltz** (Minister for Development Cooperation and Humanitarian Affairs, Luxembourg) said that Luxembourg did not favour the so-called budgetary support approach, but rather a programme or sector-wide approach. The bulk of his country's programmes were implemented by the Government agency Lux-Development, while other programmes were either run by NGOs or operated within the framework of multilateral aid projects.

43. Turning to the questions raised by the representative of Finland, he noted that political will and consensus had been key to achieving strong public support for development assistance in Luxembourg; such assistance was debated regularly by Parliament in its plenary sessions. Consensus was based not only on the dedicated commitment of Parliament, but also on the active involvement of civil society, including some 90 NGOs. Every year, his Government held two- to three-day meetings for all stakeholders, including civil society, in the area of development cooperation, to debate subjects of common interest.

44. Agriculture was made a component of any local development project, including, for example,

sanitation, education and housing. It was difficult to treat agriculture as a completely separate sector, since investment in many other sectors was linked. He was, in any case, in favour of a massive increase in investment in the agricultural sector of developing countries. To ensure policy coherence for development, Luxembourg relied on an inter-ministerial committee that met to discuss cooperation between ministries.

45. **Mr. Hadrami** (Mauritania) said that Luxembourg had set a wonderful example during its presidency of the European Union. He wondered if it would be possible to expand the number of countries Luxembourg was directly involved in.

46. **Ms. Houngbedji** (Benin) said that she was grateful for Luxembourg's continued commitment to development and, like Mauritania, wondered whether Luxembourg would envisage focusing on more than 10 countries for its development work. In addition, she wondered how Luxembourg would maintain its level of commitment in the future, given the challenges of climate change and the energy and food crises.

47. **Mr. Schiltz** (Minister for Development Cooperation and Humanitarian Affairs, Luxembourg) said that effectiveness was critical to Luxembourg's development work. There were, of course, natural limits on the amount of assistance Luxembourg could provide, given its population and territory. His Government's decision to focus its energies on a small number of countries and projects had been based on recommendations by the Organization for Economic Cooperation and Development (OECD), within the framework of the Paris Declaration on Effectiveness.

48. Any future discussions on development assistance would be based on a regional approach and vision. A number of country projects were well on their way to becoming self-sustaining, so that the resources involved could be transferred to other countries and projects in the future. Luxembourg's multilateral cooperation programmes were not limited to a small number of partner countries. Thus, school feeding programmes in West Africa, including Benin, were carried out by partnering NGOs.

49. Responding to the question raised by the representative of Benin regarding the new challenges facing development, he said that it was essential to promote cooperation between the North and the South. Climate change and development were interlinked and should be dealt with together; agriculture was one of the issues inherent to development. It was critical, in that connection, for industrialized countries to honour their commitments.

The meeting was suspended at 11.35 a.m. and resumed at 11.50 a.m.

50. *A film on Kazakhstan's development strategy was shown.*

51. *At the invitation of the President, Ms. Sarsembaeva (Association of Businesswomen of Kazakhstan) took a place at the Council table.*

52. **Mr. Danenov** (Deputy Minister for Foreign Affairs, Kazakhstan) said that Kazakhstan, the ninth largest country in the world, with a multi-ethnic and multireligious population of almost 16 million people and vast reserves of energy and other natural resources, had a GDP of $104.1 billion and a per capita GDP of $6,700 in 2007. Indeed with an average GDP growth rate of 10 per cent over the past eight years, Kazakhstan's economy had doubled in size over the period 2000-2007. The Government intended to make the country one of the 50 most competitive in the world by diversifying the economy while also developing modern systems of education, health and social services.

53. Major socio-economic changes had been successfully implemented while the Government had also maintained political stability, peace and harmony in a multi-confessional society. Kazakhstan had studied and applied best international practices for resolving various social and economic problems and had been one of the first country members of the Commonwealth of Independent States (CIS) to implement market economy principles. The Government had carried out extensive privatization of State property and reforms of the banking and pension systems, housing and utilities.

54. A National Fund had been established in 2000 to ensure stable socio-economic development. Key elements of Kazakhstan's strategy for innovative industrial development until 2015 were diversification of the economy, implementation of international technical, financial and business standards, accession to the World Trade Organization (WTO), development of corporate management, transparency and accountability, development of education and science and reform of the administrative system. The Sustainable Development Fund (Kazyna) had been established to help diversify the economy.

55. Kazakhstan attached great importance to the concept of human development and had been producing annual human development reports since 1995 with support from the United Nations Development Programme (UNDP). In late 1997, Kazakhstan had adopted a long-term development strategy to the year 2030 which defined its development priorities, including the MDGs and associated targets.

56. His Government, together with the United Nations country team, had prepared three reports on the MDGs in Kazakhstan. The country had already achieved many of the MDG targets and had made significant progress towards the remaining targets, although a number of issues required further attention, including child and maternal mortality, HIV/AIDS and tuberculosis.

57. By 2004, Kazakhstan had halved the number of people living on an income below subsistence level and had therefore met one of the main targets relating to Goal 1, eradicating extreme poverty and hunger. As Goal 2, achieve universal primary education had already been met, the Government of Kazakhstan was working to modernize the education system and improve the quality of education.

58. Kazakhstan had also achieved some degree of success in relation to Goal 7, ensure environmental sustainability, as it continued its efforts to make the transition to sustainable development. Over the period 2004-2006 it had improved its international ranking for environmental sustainability. The plan for the transition to sustainable development (2007-2024) set a target for further enhancement of the index of ecological sustainability by 25 per cent by 2024. The Council on Sustainable Development was responsible for coordinating integration of the principles of sustainable development. The State allocated considerable resources to regions with unfavourable environmental conditions, including the Aral Sea region and the former Semipalatinsk nuclear testing site.

59. **Mr. Shokamanov** (Statistics Agency of the Republic of Kazakhstan) said that over the period 2000-2007, Kazakhstan had adopted two poverty reduction programmes, introduced the law on targeted State social assistance and set up a mixed system of social protection. In 2005, a basic pension scheme had been introduced for all those of pensionable age and, since 2006, the minimum subsistence level had been the indicator used to calculate the minimum monthly wage, the minimum pension and basic social benefits. As a result of those measures, the poverty level had dropped, real wages had increased, and the unemployment rate had declined.

60. Despite such progress, Kazakhstan still faced challenges. First, targeted social assistance was currently available only to persons whose income did not exceed 40 per cent of the minimum subsistence level, although the cost of the food basket was 60 per cent of that level. Second, the minimum wage needed to be increased to twice the minimum subsistence level.

61. **Mr. Bekniyazov** (Department of Environmental Policy and Sustainable Development, Ministry of the Environment, Kazakhstan) said that Kazakhstan had adopted a new Environmental Code that harmonized environmental legislation with best international practice. With the participation of international organizations, scientists and experts, a plan for the transition of Kazakhstan to sustainable development had been prepared and adopted. It included 12 target parameters on economic, sociodemographic and environmental aspects of development and 36 intersectoral target indicators. Kazakhstan's active stance on environmental and sustainable development issues had helped to garner support for the holding of a conference on the environment and sustainable development for countries of the Asia-Pacific region in 2010 and of the all-European Conference of Ministers "Environment for Europe" in 2011 in Kazakhstan. At those conferences, Kazakhstan would promote the idea of bringing together the European and Asian processes on the environment and sustainable development.

62. Kazakhstan was making efforts to create transboundary areas of sustainable development on the basin principle, where the interests of neighbouring States, business and the local population were focused on conserving the sustainability of ecosystems. A pilot sustainable development area was the Ozero Balkhash basin, which bordered with China and the Kyrgyz Republic.

63. Kazakhstan had achieved significant success in its efforts to restore the northern part of the Aral Sea. Water from the Syrdarya river was again flowing into the once dry Aral Sea, the fishing industry had been revived and local inhabitants were returning to their abandoned villages. In order to preserve the unique

ecosystem of the Caspian Sea, Kazakhstan had established strict requirements for oil companies' activities and was working to mitigate the contamination caused by flooded oil wells and restore the affected lands.

64. The percentage of the population without access to drinking water had declined from 25 per cent in 1999 to 23.2 per cent in 2006. That low rate of access was due to ageing pipelines which had been in place for 40 to 50 years. The Government had therefore doubled the funding available for the drinking water programme.

65. **Ms. Sarsembaeva** (Association of Businesswomen of Kazakhstan) said that over the past 13 years, the Association had implemented a number of programmes for women, including programmes to reduce poverty, especially in rural areas of Kazakhstan, and to promote women's participation in business and politics. A few days previously, Kazakhstan had hosted the second Eurasian Women's Summit, which had been attended by 400 women leaders, managers and experts from over 20 countries. A resolution had been adopted to set up a development fund to assist in reducing poverty in the countries of Central Asia and Kazakhstan would be a donor for social programmes in the region.

66. As a result of close cooperation between civil society, the business sector and State and international organizations, Kazakh NGOs had achieved tangible results in relation to the MDGs, including the development of gender indicators to measure progress, the adoption of a strategy for gender equality in Kazakhstan for the period 2006-2016 and a programme for monitoring progress towards the Goals.

67. In relation to Goal 1, for example, an entrepreneurship programme for Oralman women — the Oralmans were ethnic Kazakhs who had returned to their historical homeland from Mongolia, China, Iran, Afghanistan, Uzbekistan and other countries — had been implemented in five regions allowing up to 1,000 women to open small businesses and improve their standard of living.

68. Oil companies had cooperated with an education programme for socially disadvantaged groups of the population, mainly women and girls, living in rural areas of the country. Training had been provided for 500 persons. In cooperation with international organizations and private agencies, a free telephone service had been set up to provide information on anaemia and child and maternal health.

69. With respect to Goals 2 and 7, civil society had helped to draw the attention of the media to problems of environmental pollution, lack of drinking water and biodiversity issues. Civil society was the State's main partner in advancing efforts to implement the MDGs at the decision-making level.

70. **Mr. Tanin** (Observer for Afghanistan) noted that Kazakhstan's National Development Strategy had stimulated investment and economic growth, which had in turn allowed primary and secondary education to be expanded. He said that Kazakhstan's progress in implementing the MDGs had a special relevance for Afghanistan, which had launched its own Afghanistan National Development Strategy at the Paris Conference of 12 July 2008. Both countries were landlocked and faced common challenges. An integrated and coherent approach to development should therefore include regional initiatives to develop transport, infrastructure, energy cooperation, trade and border cooperation. In that regard, he wished to thank Kazakhstan for its involvement with such projects in Afghanistan, and in particular with the Termez-Kabul railroad.

71. The Second Regional Economic Cooperation Council held in New Delhi in 2006 had recognized Afghanistan's strategic location and the importance of a development strategy based on cooperation with the country's neighbours, which would in turn facilitate regional economic integration. The Government aimed to build on Afghanistan's historic role as a land bridge in order to create mutually beneficial trade and export opportunities. To that end, it favoured a non-protectionist, free market economy and hoped to draw on Kazakhstan's example.

72. **Mr. Churkin** (Russian Federation) said that the experience of Kazakhstan was a unique and valuable example of how a country could successfully overcome the many specific development problems facing its region. Kazakhstan was highly rated among the countries of Central Asia in terms of basic economic indicators and its achievements in the social area were also impressive. The Russian Federation, as a strategic partner of Kazakhstan, welcomed its achievement in halving the number of persons living below the minimum subsistence level.

73. Efforts would be made to further develop the already very high level of bilateral cooperation

between Kazakhstan and the Russian Federation. The value of trade between the two countries was close to $17 billion and there was also intense cooperation with respect to fuel and energy issues, high technology, including the peaceful uses of outer space and nuclear energy, and the use of Caspian Sea resources.

74. The Russian Federation and Kazakhstan gave high priority to environmental safety. They were sharing their experiences in the rational use of natural resources, the application of ecologically sound technologies, and environmental protection and conservation. Both states were parties to the United Nations Economic Commission for Europe Convention on the Protection and Use of Transboundary Watercourses and International Lakes. They cooperated in the context of the Caspian Environment Programme, the commission on the water resources of the Caspian Sea, the Coordinating Committee on Hydrometeorology and Pollution Monitoring of the Caspian Sea and the Russian-Kazakh commission on the joint management and protection of transboundary water bodies. Environmental issues were also discussed at annual forums for the leaders of the border regions, which were attended by the Presidents of the Russian Federation and Kazakhstan.

75. **Mr. Khalilzad** (United States of America) said that Kazakhstan was an important partner of the United States of America, and drew attention to four areas of that country's development. First, strong economic growth had allowed it to reduce poverty and create a fully funded pension system. Second, expenditure on education had increased nearly sixfold since 2000. Third, Kazakhstan had worked with the Organization for Security and Cooperation in Europe (OSCE) to develop its democratic institutions, reform its election and media laws, and liberalize its political party registration laws by the end of 2008. Fourth, it had established its credentials for international leadership, deploying engineering troops to Iraq and providing assistance to Afghanistan. A strong, independent and democratic Kazakhstan would be a leader and anchor of stability in the region. The promising strategic partnership between Kazakhstan and the United States of America would help further the two countries' shared vision of regional cooperation and integration.

76. **Mr. Danenov** (Deputy Minister for Foreign Affairs, Kazakhstan) said that the progress that had been outlined was a result of his Government's strategic plans and the support of society. Kazakhstan's cooperation with other regional States and with its major partners had also been vital, encouraging investment and hence enabling the implementation of the MDGs.

77. **Mr. Dapkiunas** (Belarus) said that he was pleased to see that Kazakhstan, a Eurasian member of the Commonwealth of Independent States, had made a voluntary presentation to the Council. Its contribution to the previous day's ministerial debate, as well as the national report on the achievement of Kazakhstan's strategic priorities to 2030 in the light of the Millennium Development Goals (MDGs) (E/2008/79) showed that the Government was paying increasing attention, in its long-term policies, to alternative, renewable and more effective energy sources and to achievement of the MDGs. That approach was in line with the General Assembly's concern to ensure that developing countries and economies in transition had access to advanced energy technologies.

78. **Mr. Danenov** (Deputy Minister for Foreign Affairs, Kazakhstan) said that the development of environmentally sensitive alternative energy sources was becoming more important in his Government's discussions with experts and investors. Regional cooperation and interaction with United Nations agencies made possible a more scientific, effective approach to the problems associated with development and to achievement of the MDGs.

79. **Mr. Bekniyazov** (Kazakhstan) said that although his country's energy resources were immense, his Government was seeking alternatives and had adopted legislation for that purpose, using the United Kingdom's green certificate system as a model for its alternative energy strategy.

80. **Mr. Ishize** (Japan) stressed his Government's strong support for various aspects of Kazakhstan's development. Since gaining independence in 1991, the income of its citizens had risen over fivefold. It would be interesting to know what the Government considered the greatest challenge to the nation's future development.

81. **Mr. Danenov** (Deputy Minister for Foreign Affairs, Kazakhstan) said that Japan was one of Kazakhstan's most important bilateral partners. The need to develop his country's human capital was one of the most important challenges in the context of the MDGs; for that reason, his Government was allocating funds to initiatives affecting young people as an

investment in the nation's future economic development and stability.

Finland (E/2008/86)

82. **Mr. Väyrynen** (Minister for Foreign Trade and Development, Finland) said that Finland's development policy was based on a comprehensive view of sustainable development, including its interrelated economic, social and environmental dimensions, that built on the 1992 United Nations Conference on Environment and Development and subsequent international commitments and placed special emphasis on issues related to climate and the environment. However, since that Conference, international development policy dialogue had been conducted with a relatively narrow agenda. Discussion should focus on both the Southern and the Northern countries. The present economic model followed by the industrialized countries, and by a growing minority of people in the developing world, was not ecologically sustainable; changes in lifestyles and in patterns of production and consumption were needed.

83. The MDGs, with their strong focus on social development and human well-being, were at the heart of his Government's development policy. At the same time, it took a broader approach that sought to address all the development challenges arising from its partners' development strategies and to address issues of global survival such as climate change, food security and environmental sustainability. A national committee had drafted a sustainable development programme that focused on eco-efficiency and on forging new links between environmental and economic policies.

84. The nation's development policy targeted themes and sectors where Finland could give added value to global development. Its bilateral cooperation concentrated on areas where it had cutting-edge expertise, such as forest and water management and renewable energy, which were directly linked to several MDG indicators. For example, Finland's public-private Energy and Environment Partnership (EEP) with eight Central American countries sought to promote the use of renewable energy sources and clean technologies and to make energy services more accessible to the poor, particularly in rural areas, by supporting 162 projects that built on local ownership. The EEP had attracted 31 European and 36 Central American renewable energy companies and his Government was considering replicating the partnership model in the Mekong region and in Indonesia.

85. Watershed management was key to the livelihoods of rural communities along the Nile river. Finland provided agro-forest and technical assistance to the World Bank's Integrated Development of the Eastern Nile (IDEN) project, an effort to stabilize the region's landscape and build a joint institutional water management mechanism. Community watershed management had a positive impact on land management and productivity, food security, livelihood diversification and access to water and biomass fuels. Furthermore, an estimated 1.6 billion people relied heavily on forests for their livelihood; Finland was promoting sustainable forestry in cooperation with the United Nations, the World Bank and the European Union. Lastly, the Governments of the United Republic of Tanzania and Finland planned to establish a regional centre for sustainable development in the United Republic of Tanzania in order to enhance capacity in the field of sustainable economic and ecological development.

86. The private sector, institutions, public-private partnerships and the promotion of trade were key to achieving both MDG 8 (development of a global partnership for development) and the development financing objectives of the Monterrey Consensus. The success of Finland's sustainability agenda was based largely on a multi-stakeholder approach at the national and international levels. It had recently adopted a cluster format in which universities, other research institutions, companies and NGOs worked together to develop and implement innovative sustainable development cooperation approaches.

87. **Mr. Fernie** (United Kingdom) said that, like the United Kingdom, Finland took responsibility for its own contribution to unsustainable development; he admired the manner in which it was reviewing its policies in a number of areas, including water management and forestry. Finland's National Commission on Sustainable Development, mentioned in its report on "Implementing the internationally agreed goals and commitments in regard to sustainable development" (E/2008/86), was an important public-private sector partnership. He would like to know how the Commission worked and, specifically, how it took the opinions of all stakeholders into account.

88. The report also mentioned that bilateral cooperation accounted for close to 60 per cent of Finland's aid flows. It would be useful to know on what basis the Government decided how to allocate its bilateral and multilateral spending, how its development partners viewed those choices and what improvements on the part of multilateral institutions might change the Government's approach.

89. **Mr. Sefue** (Observer for the United Republic of Tanzania) said that during their long-standing development partnership, his country and Finland had learned a great deal about how to improve efficiency and accountability and enhance national ownership with a view to development coordination. Finland's comprehensive approach to development was important to his Government, which believed that poverty eradication must be addressed on many fronts; he particularly welcomed the capacity-building provided in the forestry sector. That focus on human and social well-being had been instrumental in the progress reported in his own country's voluntary presentation on the previous day. However, both the developed and the developing countries, especially in sub-Saharan Africa, must make a greater effort to build capacities for growth through production and trade, entrepreneurship and private sector development. It was particularly important to ensure that the property rights of poor people were protected by law in order to ensure their integration into a market economy.

90. Finland's report made repeated mention of the Government's commitment to increasing its ODA flows. However, because such funding was derived from taxes on a nation's citizens, it depended not only on the will of governments but also on a broad constituency for development cooperation. He hoped that Finland would share its experience in that area with other OECD countries and that it would ensure that NGO participation in its development cooperation was consistent with the recipient government's priorities and that NGOs were prepared to be held to the same standards of accountability and transparency as governments. Lastly, he encouraged Finland to respect its commitment to meet the target of 0.7 per cent of GNI for ODA by 2015. The Group of Eight would hold its next meeting in Japan, and there were doubts in some quarters that its members' 2005 commitment to double their ODA to Africa by 2010 would be met. His Government was eager to see how Finland would use its influence with the European Union, which accounted for half of the Group of Eight countries, to ensure that that promise was kept.

91. **Mr. Väyrynen** (Minister for Foreign Trade and Development, Finland), replying to the representative of the United Kingdom, said that Finland's National Commission on Sustainable Development was the only national body with a specific mandate to ensure ecological sustainability, an issue to which — as he had stressed in meetings of the United Nations Commission on Sustainable Development — developing countries should pay particular attention. Both Commissions had been established following the 1992 Conference on Environment and Development. The National Commission's members included high-level officials from the ministries, labour and trade unions and NGOs. It was very useful, but vigilance was needed in order to ensure that its attention was not diverted to other forms of sustainability.

92. The percentage of Finland's ODA allocated to bilateral cooperation was closer to 55 per cent than to 60 per cent, the amount stated in the report. It focused on its main long-term development cooperation partners: Ethiopia, Kenya, Mozambique, Tanzania, Zambia, Nepal, Viet Nam and Nicaragua, as well as on several post-conflict partner countries: Afghanistan, Sudan, Kosovo, Bosnia and Herzegovina and the Occupied Palestinian Territories. His Government based its cooperation on the needs of and requests from its partner countries and tried to focus on areas in which it had special expertise and to emphasize genuine development cooperation between Finnish society and that of the partner country. It was increasing its ODA to its existing partners rather than adding new ones; however, it was also expanding the range of countries covered through its regional and thematic cooperation, including with Central America through the EEP on the issue of renewable energy.

93. In reply to the representative of the United Republic of Tanzania, he said that in 2005, the European Union had promised to devote .56 per cent of GDP to development cooperation by 2010; it had recently confirmed that commitment and he thought that the European Union would be close to meeting the target by that date. Finland's share of that amount was 1.51 per cent and he hoped that the next annual budget would include increased funding for that purpose. He believed that his Government would also reach the goal of allocating 0.7 per cent of GNI to ODA by 2015; it planned to increase its ODA by 30 per cent for the

period 2007 to 2011 and, as promised, at least half of that increase was earmarked for Africa.

94. **Mr. Sow** (Observer for Guinea) said that while he welcomed Finland's contribution to the developing countries, its five African partners were all located in the east of the continent. He wondered what the Government planned to do to expand its ODA to include other African States.

95. **Mr. Ali** (Malaysia) commended the OECD countries making voluntary presentations for their level of self-criticism. However, he had noted with concern that both Luxembourg and Finland channelled the majority of their ODA to a small number of primary development partners — 10 and 8, respectively — and that two of those partners were shared by both donor countries. The wider problem of "donor darlings" was not being addressed; as stated in paragraph 38 of the report of the Secretary-General on trends and progress in international development cooperation (E/2008/69), most donors had yet to establish an objective and transparent basis for allocating aid across countries. It would be useful to know what criteria the Government of Finland used in selecting its development partners.

96. **Mr. Väyrynen** (Minister for Foreign Trade and Development, Finland) said that Finland distributed 45 per cent of its funding through multilateral channels, including United Nations agencies, the World Bank, the African Development Bank (ADB), the European Union and NGOs; thus, its ODA was not restricted to its bilateral development partners. In selecting those partners, the Government focused on the least developed countries; it had recently discontinued its cooperation programme with Namibia, which was no longer considered a least developed country and was planning to change the nature of its cooperation with Egypt for similar reasons.

97. Finland had two national languages — Finnish and Swedish — and although many of its residents also spoke English, few of them spoke French. For that reason, there were no Francophone African countries among its development partners. However, it spread its assistance more widely through regional cooperation programmes such as the EEP, in Central America, and in the Mekong region.

98. Finland had been involved in a European Union effort to develop common principles for addressing the problem of "donor darlings" and "donor orphans" by encouraging donors to transfer their aid to States which were currently being passed over. The European Union's policies were, to some extent, limited by its desire to focus on the least developed countries. Finland had several policies that allowed for flexibility in allocating ODA to States other than the partners that he had mentioned.

99. **Mr. Botora** (Observer for Ethiopia), speaking on behalf of the Group of African States, expressed the Group's appreciation for the assistance that Finland provided to African countries. Speaking in his national capacity, he said that as one of Finland's main development partners, his Government supported its focus on bilateral cooperation.

100. **Mr. Hales** (Moderator) said that the report of Finland and the report of the Secretary-General raised the issue of how to strike a balance, in assessing aid effectiveness, between the process of development assistance and its outcome. He asked the representative of Finland to elaborate on that issue.

101. **Mr. Väyrynen** (Minister for Foreign Trade and Development, Finland) said that Finland's new Government had announced its development policy in October 2008. He did not agree with those who had maintained that the policy placed too much emphasis on the environment at the expense of poverty reduction; in order to be effective, development policy must ensure economic, social and ecological sustainability. He hoped that the international community would recognize that linkage and that there would be greater convergence between the efforts of Southern and Northern countries in the field of development cooperation.

102. At present, 1.6 billion people worldwide were heavily dependent on the forestry industry. Ways must be found to exploit that resource sustainably in order to balance its economic importance with its potential to mitigate climate change. It was important for the international community to learn from its mistakes and to redirect its cooperation activities towards sustainability through discussions at the national and international levels in order to set new policies in that difficult area.

103. **Mr. Katjavivi** (Observer for Namibia) said that his Government maintained close bilateral relations with both Luxembourg and Finland and appreciated the manner in which they viewed the development challenges that Namibia faced. He hoped that middle-income countries such as his own would not be left to

their own devices so that the momentum of their achievements would not be lost.

104. **Mr. Väyrynen** (Minister for Foreign Trade and Development, Finland) said that Finland would continue its development cooperation with Namibia but that changes in the instruments of that cooperation would make it more effective than in the past.

The meeting rose at 1.35 p.m.

United Nations E/2008/SR.20

Economic and Social Council

Provisional

25 August 2008

Original: English

Substantive session of 2008
High-level segment

Provisional summary record of the 20th meeting
Held at Headquarters, New York, on Thursday, 3 July 2008, at 7.15 p.m.

President: Mr. Mérorès ..... (Haiti)

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High-level segment

(b) Development Cooperation Forum (*continued*)

(c) Annual ministerial review: Implementing the internationally agreed goals and commitments in regard to sustainable development (*continued*)

(d) Thematic discussion: Promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development, taking into account current challenges (*continued*)

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The meeting was called to order at 7.15 p.m.

High-level segment

(b) Development Cooperation Forum (*continued*)

(c) Annual ministerial review: Implementing the internationally agreed goals and commitments in regard to sustainable development (*continued*)

(d) Thematic discussion: Promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development, taking into account current challenges (*continued*)

Adoption of the ministerial declaration (E/2008/L.10)

1. **The President** said that, throughout the long and delicate process of discussing the draft ministerial declaration, the Bureau had reminded members of the ideals of the strengthened Council and the need to reach agreement. Introducing an editorial correction to paragraph 18 of the draft text (E/2008/L.10), he said that the phrase "Consideration of commitments for subsequent periods for Parties included in Annex I to the Convention under Article 3, paragraph 9, of the Kyoto Protocol" which had erroneously been placed in the body of the text, should be moved to a footnote.

2. *The ministerial declaration (E/2008/L.10), as orally corrected, was adopted.*

3. **Mr. Dapkiunas** (Belarus) said that, while his delegation agreed fully with the spirit of the ministerial declaration, it was unable to agree entirely with its content. As it was important for the activities of the Organization to reflect the interests and requirements of each group of Member States, those groups should be clearly and accurately categorized.

4. The Member States with economies in transition, while few in number, were an inseparable part of the global social, economic and trading fabric and many had been seriously affected by challenges such as climate change and the food crisis. The ministerial declaration unfortunately failed to take full and appropriate account of those States' needs, particularly when it simply reproduced the wording of previously agreed documents. Reference to such precedents risked understating the social and economic difficulties which many regions faced.

5. Although there were intermittent references in the ministerial declaration to States with economies in transition, they were not adequately incorporated or followed up. The time had come to address the difficult issue of the concerns of that group, particularly in the context of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus (Doha Review Conference) and the Accra Agenda for Action to be submitted for endorsement at the Third High-Level Forum on Aid Effectiveness. The Council could play a positive role in that regard.

6. **Mr. Ripert** (France), speaking on behalf of the European Union, said that it was important for the Council, in strengthened form, to have been able to agree on a ministerial declaration. The European Union would carry forward to the remainder of the substantive session the constructive spirit that had made that agreement possible.

7. **Mr. Blake** (Observer for Antigua and Barbuda), speaking on behalf of the Group of 77 and China, said that the adoption of the ministerial declaration was evidence of the successful revitalization and new dynamism of the Council, which included new institutions in the form of an annual ministerial review and a Development Cooperation Forum.

8. While all the delegations had been flexible in the long process of agreeing on the draft declaration, the Group believed that the developing countries had been obliged to show more than their fair share of flexibility. The Group had found it impossible to gain acceptance of a minor amendment which would have lessened its discomfort with the draft, but had not persevered, out of belief in a strong and united Council.

9. The international community was faced with extraordinary times requiring extraordinary responses. In the light of the number, depth and complexity of the current crises, and the nature of intentions expressed in meetings of the Council, the Group had expected more of the declaration. However, many of its proposals had failed to be accommodated not because of their substance, but because they threatened to make the declaration too long, because no agreed language from past resolutions and declarations was available or because the subject of a particular proposal was being taken up in some other forum.

10. The matters not raised included the transfer of technology in the context of climate change, even

though technology was a significant factor in the problem and the solution to the problem. Food security had been given scant consideration. Trade had barely been mentioned, despite the slow pace of progress in the Doha Round of trade negotiations. Debt would not be considered in detail until the implementation of the Monterrey Consensus was reviewed. However, such concerns lay at the core of development and were critical to achieving the internationally agreed development goals, including the Millennium Development Goals, and to implementing the outcomes of the major United Nations conferences and summits.

11. **Mr. Siles Alvarado** (Bolivia) said that his delegation welcomed the ministerial declaration but regretted its shortcomings. In some cases, the hours of discussion involved in reaching a consensus had been counterproductive, and the Council had shown a lack of foresight. Through lack of foresight, the unbridled consumption of polluting sources of energy since the industrial revolution had led to life-threatening climate change. Lack of foresight should not result in history repeating itself. The insatiable demand for energy of countries whose way of life was to plunder natural resources had led them on a search for new fuels, including biofuels. Concerned that a dangerous food crisis would result, his delegation was disappointed with the language contained in paragraph 21 of the declaration, but for the sake of unity within the Council and in the hope that rational dialogue would prevail, it had not withheld its agreement.

12. **Mr. Heidt** (United States of America) said that his delegation welcomed the ministerial declaration, which had been the product of constructive engagement and compromise. The result was in full accordance with the philosophy of a strengthened Council. However, in an approach which weakened its reputation and role, the Council had hastily reused agreed language from other sources in the declaration. The declaration would have been much more effective, and had a greater impact on the development community, had it been shorter and more focused on contemporary challenges. That should be borne in mind for the next high-level segment.

13. Also of concern was the attempt by some partners to exploit the ministerial declaration to prejudge important ongoing negotiations in other forums or reinterpret recently concluded international agreements. Such an approach was unrealistic and devalued the Council. The significance of the ministerial declaration lay in its ability to express, in a way appropriate for a high-level event, the views of the international community on key development issues. Neither the Council nor the declaration could be expected to solve multiple, complex problems being debated by experts around the world.

14. Regarding the substance of the declaration, his delegation wished to restate that it understood the phrase "right to development" in paragraph 33 of the declaration as meaning individuals' rights to develop their intellectual or other capacities to the fullest, and thereby to exercise a full range of civil and political rights. In connection with the terms "inequality" and "inequalities", as used in paragraphs 1 and 30 of the declaration, the United States, through long experience, believed that the emphasis in public policy should be on equality of opportunity, so that each citizen could achieve his or her full potential. In the United States and elsewhere, efforts to equalize income or wealth had had little success.

15. **Mr. Rosales Díaz** (Observer for Nicaragua) said that, while his delegation acknowledged the strong leadership shown in the current Economic and Social Council session, it wished to stress the need for flexibility from all Member States, not just the majority. On numerous occasions, certain delegations had tried to renegotiate or revise previous agreements in an insidious and underhand manner and the Group of 77 and China had encountered a wall of inflexibility on topics that were of crucial importance to its members, such as official development assistance, climate change, debt, energy and the food crisis. There was therefore clearly a need to strengthen the democratization of the United Nations and to continue strengthening the Council. His delegation had joined the consensus on the ministerial declaration in recognition of the President's work and in order to preserve the unity of the Group of 77 and China.

16. **Ms. Pérez Álvarez** (Cuba) said that her delegation, while acknowledging the importance of the Council's adoption of a negotiated document, considered that the content of the ministerial declaration was weak in some respects due to the positions taken by the countries of the North. The global food crisis was the result of major systemic imbalances in the international economic order, and had been made worse, among other factors, by the irresponsible actions of developed countries, particularly the United States and Europe, in diverting

grain into biofuel production. The achievement of the MDGs, particularly the elimination of hunger and poverty, was therefore in jeopardy.

Closure of the high-level segment

17. **The President**, in his closing remarks, said that the Economic and Social Council had come to the end of a remarkable high-level segment. The Council had finally set in motion the new functions mandated by the Heads of State at the 2005 World Summit and the level and breadth of engagement had been extraordinary, with a new wave of enthusiasm and determination in evidence. Despite some divergences of views, the ministerial declaration, embodying the new spirit of the Economic and Social Council, had been adopted. Issues of crucial importance for the future of humanity had been discussed and, although the Council could not hope to find immediate solutions to all of them, at least they had been brought to the attention of the international community and political leaders. Providing a coherent, coordinated and collective response to the challenges that threatened progress towards the Millennium Development Goals required greater commitment from the international community and the will to go beyond political divisions, in the hope of achieving those Goals to the benefit of the most vulnerable peoples and least developed countries.

The meeting rose at 8 p.m.